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NEWS SUMMARY

GENERAL

German spy swap deal ends

East Germany released between 20 and 30 prisoners to West Germany after the return to the East of master spy Guenter Guillaume.

Bonn had released four Communist agents, including Guillaume, a former Chancellory aide whose unmasking led Chancellor Willy Brandt to resign in 1974.

It virtually completes the spy swap deal. It apeared that plans had collapsed to involve other spies held outside the two German states.

Walesa re-elected

Lech Walesa, defeated three radical challengers to be re-elected leader of Solidarity, Poland's independent trade union.

Iran bomb claim

Iran said its air force mounted its biggest raid into Iraq for months when fighters bombed four electricity power stations. Back Page

Tube fares cut

London Transport's lower and simpler fare structure on buses and tube trains comes into effect today. Page 3

Lebanon bombs

A wave of bomb attacks continued in Lebanon when a school in Jarjouh near Nabatiyeh in the south was hit. Beirut car bomb, Page 2

Warship blast

Saboteurs suspected of belonging to the Basque guerrilla group Eta blasted a hole in a Spanish warship moored in the northern port of Santander. Page 2

Queen faces demo

Some 300 IRA sympathisers shouted anti-British slogans at the Queen as she arrived at a reception in Melbourne, Australia.

Maze doubts

Hunger strikes at Belfast's Maze Prison are putting little or no pressure on the Government, said Richard MacAuley, Belfast Sinn Fein chairman. Page 3

If winter comes...

Parts of Scotland were hit by snow and northern England and Wales by heavy flooding in the first blast of wintry weather. Weather reports, Back Page

Trudeau meeting

Canadian premier Pierre Trudeau said he would meet Mrs Thatcher on Monday to discuss his proposals to reform Canada's constitution.

Illness probe

The cause of a mystery illness affecting tenants on Northolt New Estate, West London, is to be investigated by Ealing Council.

Legionnaire jailed

Birmingham man John Davies, serving in the French Foreign Legion, was jailed for five years in Marseilles for wounding a legion sergeant.

Open 'n' shut case

Forty Victorian wrought iron gates were stolen from the Chiswick area of London during the night.

Briefly . . .

Thousands of fans lined the funeral route of former Liverpool soccer manager Bill Shankly.

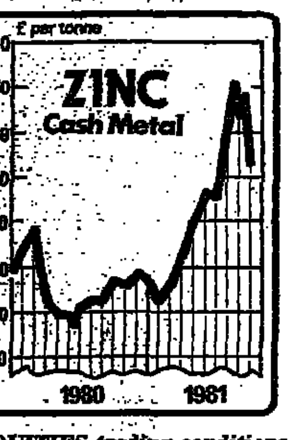
The first women members were elected to the International Olympic Committee.

Closing total for Tattersall's racehorse yearling sales at Newmarket was 15,949,550 guineas. Racing, Page 9; Weekend Brief, Page 15

BUSINESS

Cash zinc off £35 on week at £466.5

● CASH ZINC lost £11.5 on the London Metal Exchange yesterday and closed £35 down on the week at £466.5 a tonne. Page 19



● EQUITIES trading conditions stayed sensitive, but there were signs of real investment interest. The FT 30-share index closed 1.3 up at 476.3. Page 22

● GILTS trade was stifled by the possibility of new government funding. The Government Securities Index lost 0.06 to close at 60.6. Page 22

● WALL STREET was up 6 at 858.26 near the close.

● STERLING fell 1.25c to close at $1.819 in London and to DM 4.17 (DM 4.2575), SwFr 3.52 (SwFr 3.605) and FFr 10.01 (FFr 10.2). Its trade-weighted index fell to 87.3 (88.5). Page 21

● DOLLAR closed lower in London at DM 2.2925 (DM 2.323), SwFr 1.935 (SwFr 1.9675), FFr 5.505 (FFr 5.57) and Y232.1 (Y233.8). Its trade-weighted index was down at 108.4 (109.3). Page 21

● GOLD closed $0.75 up at $435 in London. In New York the Comex October close was $436.8. Page 21

● HONG KONG raised interest rates 2 per cent. Page 2

● JAPAN says its current account surplus may reach $10bn (£5.5bn) this fiscal year unless planned measures to stimulate imports succeed. Back Page

● NEW ZEALAND'S proposed NZ$650m (£293m) Aramoana aluminium smelter has suffered another setback—CSR, the Australian resources company, is delaying a final decision. Alusuisse, the Swiss group, has already withdrawn. Page 19

● MALAYSIAN Prime Minister Dr Mahathir Mohamed said all future government trade deals with Britain must be approved by his office. Back Page

● ARBUTHNOT LATHAM Holdings halted dealings in its shares at 305p, valuing the banking group at £23.7m. Back Page

● THREE MARKETING executives are leaving ICL. Back Page

● BRITISH MANAGEMENT Institute says its 72,000 members are seriously questioning the Government's economic policy. Page 3

● LUCAS ELECTRICAL is to sack a further 800. Page 3

● BROWN & JACKSON, the building and civil engineering contractor, reported taxable profits of £47,227 (£1.39m) for the first half of 1981. Page 16, Lex Back Page

● LYLE SHIPPING advanced pre-tax profits to £3.66m (£2.33m) in the first half of the year. Page 16

● BROWN BOVERI KENT (Holdings), the industrial instrument maker, made a pre-tax loss of £1.34m for the half-year to June 28, compared with a taxable profit of £540,000. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Akroyd & Smithers	165	+ 15
Asprey	290	+ 24
BTR	330	+ 14
Bluebird Conf.	54	+ 4
Caffyns	124	+ 14
Campari	40	+ 8
Christies Int.	158	+ 10
Cornell Dresses	108	+ 13
Dixon (D.)	36	+ 13
EIS	122	+ 10
Eagle Star	288	+ 7
Emess Lighting	123	+ 8
Farnell Elec.	430	+ 15
Firth (G. M.)	137	+ 6
Glaxo	372	+ 8
Grindlays	180	+ 8
GRE	306	+ 8
Hanson Trust	264	+ 6
Home Counties	69	+ 10
ICL	34	+ 4
Initial Services	196	+ 16
Kennedy Brookes	118	+ 11
Kwik Save	195	+ 7
Land Securities	279	+ 6
Lyle Shipping	295	+ 35
News Int.	93	+ 5
Pritchard Services	141	+ 10
Racal Elec.	388	+ 8
Sothebys	400	+ 15
STC	425	+ 26
Utd. Scientific	440	+ 33
Ward White	51	+ 4
BP	278	+ 8
Candecca	138	+ 12
Carless Capel	114	+ 11
McLeod Russel	270	+ 15
CRA	216	+ 15
Gencor	£11	+ ½
Western Holdings	£31½	+ ½
FALLS		
Brown & Jackson	28	− 4

Reagan to revive B-1 bomber and deploy 100 MX missiles

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday unveiled plans to strengthen U.S. nuclear forces on land, sea and air. The aim, he said, was to "maintain the strategic balance" with the Soviet Union, and to enable the U.S. to "keep the peace well into the next century."

● At least 100 MX mobile missiles will be built and deployed.

● A variant of the B-1 bomber cancelled by former President Jimmy Carter, will be revived.

● Some 3,000 air-launched Cruise missiles will be put into service.

● *All back-up communications* and command operations will be reinforced.

Mr Reagan stressed that his plan was intended both to reinforce the American deterrent against a Soviet attack on the U.S. or its allies, and to create a balance against which serious arms control negotiations could be conducted between Washington and Moscow.

After a period of decline in U.S. strategic strength, it would give the U.S. the capability, at reasonable cost, to respond in adequate time to any further growth in Soviet nuclear forces, he said on a nationwide television broadcast.

Mr Reagan stressed that the programme was "affordable" and fitted with his economic programme of tax and spending cuts, including $13bn (£7.1bn) cuts in defence over the next three years. It would cost less than 15 per cent of the defence budget in each of the next five years, against an equivalent of over 20 per cent at the time of the last U.S. strategic build-up in the early 1960s.

Mr Reagan has called for a $182bn (£99.3bn) defence budget in 1982, rising to $243bn *in 1984*.

The improvements would greatly strengthen the deterrence of nuclear war "by denying the Soviets any realistic prospects, however they may define them, of gaining an advantage by initiating the use of nuclear weapons," U.S. officials said.

As part of the modernisation of the entire strategic arsenal, Mr Reagan said he had decided to go ahead with development and deployment of the new MX mobile missile, but dropped President Carter's controversial plan for hiding 200 of the weapons in 4,600 shelters in Utah and Nevada.

He rejected a compromise of 100 missiles in 1,000 shelters, on the grounds that all such systems would be vulnerable to a Soviet first strike if Moscow built enough warheads.

Instead, the MX will initially be put in existing Titan or Minuteman missile silos, strengthened against nuclear attack, while studies of other basing methods are pursued.

A version of the strategic B-1 bomber is to be resuscitated, with a total of 100 aircraft starting to be deployed by 1986. Meanwhile, work will go ahead on the ultra-modern Stealth, radar-evading bomber for the 1990s.

Three thousand air-launched Cruise missiles will be deployed on B-1s and the newer of the ageing B-52s that the B-1 will replace.

At sea, Trident ballistic missile submarines will continue to be constructed at the rate of one a year, and equipped *with the larger, more accurate* Trident II missile from 1989.

Details, Page 2

Labour moderates relieved but power battle continues

BY RICHARD EVANS, LOBBY EDITOR

MR MICHAEL FOOT and Labour Party moderates left Brighton yesterday greatly heartened by the reversals inflicted on the Left at the Labour conference, but aware that the ferocious battle for control of the party will continue unabated.

The remarkable change in atmosphere generated by the conference was underlined by an invitation from Mr Roy Hattersley to Labour Party members who have defected to the Social Democrats to return to the fold to ensure success against the Left. Such an offer would have been regarded as laughable just a week ago.

The sense of relief among moderates has been immense as the power struggle turned against the Bennite Left for the first time in several years. But leaders of Labour Solidarity, *the pro-Denis Healey* pressure group, urged an increase in effort so the gains could be consolidated in the coming year.

The next major development will be the elections to the Shadow Cabinet at the start of the new Parliamentary Session next month when the key question will be whether Mr Tony Benn will stand. He has told friends he is prepared to put himself forward on condition that he could be the guardian of conference decisions rather than be tied by Shadow Cabinet collective responsibility.

But Mr Foot, although anxious to include Mr Benn in order to cement party unity, said yesterday that the same conditions would have to apply to Mr Benn as applied to all other Shadow Ministers.

"There are others including me who are just as eager to carry out conference decisions *as Tony Benn . . . . I am saying* that there could not be one law for one person voted onto the Shadow Cabinet and another law for everyone else." Mr Foot said on Independent Television News.

It was a public rebuff for Mr Benn and the chances of his standing for the Shadow Cabinet are fading fast. Instead he is likely to remain on the back benches and attack any comments or actions by Shadow Cabinet members which he considers go against conference policy.

Mr Hattersley, in a speech to the Solidarity campaign in Lambeth, South London, last night, said the Brighton conference *had been a good week* for Labour. The gains at the expense of the far Left had shown there was now "not even a plausible excuse" for desertion by the founders of the SDP, which was simply a vehicle for

Continued on Back Page
Conference report, Page 3

BL strike fear over 'shock' offer

BY LORNE BARLING

TRADE UNION negotiators will recommend an all-out strike by 58,000 BL car workers from November 1. The move follows *a 3.8 per cent BL pay offer* which the negotiators rejected outright yesterday, but which the company said it could not improve.

BL yesterday laid off 400 workers because of a strike at Cowley affecting assembly of the Princess and the new Acclaim. Page 4

Mr Grenville Hawley, national automotive secretary of the Transport and General Workers' Union, said BL's counter proposals to the union's £20 a week claim were "a shocking, disgusting response," and that unless a substantially improved offer was made by November 1, BL Cars could be totally shut down.

The 34 negotiators involved in talks yesterday had voted to recommend strike action to their members, Mr Hawley said.

The method of consultation was disputed, with Mr Roy *Sanderson of the Electrical and* Plumbing Trades Union saying he would seek a secret ballot.

A mass meeting of workers at Leyland Vehicles site in Lancashire yesterday indicated they were prepared to accept a 4 per cent *offer. They decided,* though, to reject detailed productivity proposals linked to the offer, which covers 6,500 workers. Leyland Vehicles, which lost £47m in the first half of the year, insists the offer is self-funding and hopes to have further negotiations with the unions next week.

Mr Geoff Armstrong, BL Cars' director of employee relations, said after yesterday's breakdown: "We are not in a robust enough situation to withstand any widespread or protracted industrial action. We would not survive and there would be a widespread loss of jobs.

"Hope now is that the sensible approach achieved in previous negotiations will come through again this time."

The BL offer would mean a £4 increase in the weekly basic rate for skilled men to £108.60, *and a £3.60 rise to £97.60 for* the bulk of production workers.

In addition, BL would raise the ceiling on productivity-related bonuses from £22.50 to *£30 a week, but only if the* workforce accepted "plant auditing," whereby only more productive plants would get the higher ceiling.

An extra day's holiday had been granted, but no improve*ment in conditions could be* made until the performance of BL had improved further.

"We can make no improvement on this offer," Mr Armstrong said. "We have explored the financial situation *of the company in terms of the* national and international pressures we have to deal with.

"We are the first to pay tribute to the workforce for the recent increase in productivity, but we believe that has *been properly rewarded* by the productivity scheme."

The company would strongly support a secret or postal ballot, but there was no possibility of workers being able to "vote themselves more money," he said.

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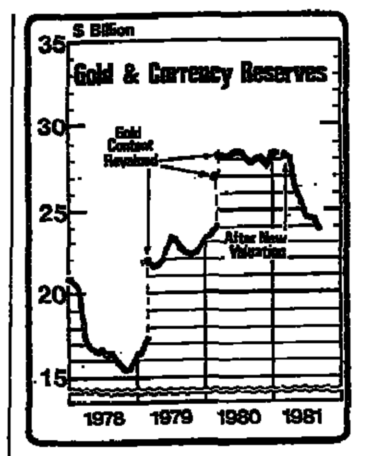
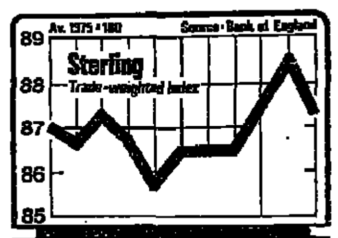
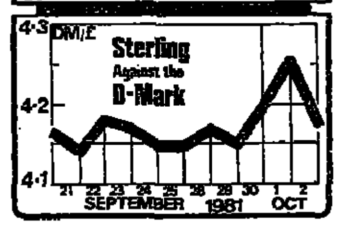






Fears of EMS realignment hit pound and dollar

BY ANATOLE KALETSKY

THE POUND and dollar fell in European foreign exchanges yesterday amid speculation about a realignment in the European Monetary System over the weekend.

In London the Treasury published figures on the official reserves which confirmed that there had been substantial smoothing intervention over the past month to control the decline in the pound. The morning's Treasury Bill tender produced a rate of 15.9795 per cent.

This rate compares with last Friday's 15.1231 per cent. The rise is consistent with the new structure of short-term interest rates established after Thursday's jump in clearing bank base rates.

Sterling drifted downward with the dollar for most of the day. Reversing the pattern of the past week, it fell faster than the dollar, rather than fluctuating somewhere between the U.S. and continental currencies. The pound closed in London at $1.819, having lost all gains it made on Thursday in response to the two point jump in bank base rates.

However, trading was thin and there was no sign of official concern about sterling's losses. Sterlings trade-weighted index against a basket of currencies ended the day at 87.3, compared with Thursday's closing level of 88.5.

Although the EMS realignment rumours, which appeared to stem mainly from a report in an Italian newspaper, were dismissed as implausible by some dealers, the Deutsche Mark strengthened by 1.3 per cent against the dollar, to DM 2.2925 and by 2.2 per cent against sterling, to DM 4.26.

One puzzling aspect of the *markets' behaviour was the rise* in other Continental currencies, notably the French franc, which is widely expected to be devalued in any EMS realignment.

The UK official reserves fell by $815m in September, to *$23.696bn. The underlying drop,* after taking into account various official transactions was $677m, indicating a significant amount of official intervention to strengthen the exchange rate over the past month.

Although the Government's policy of not defending any particular exchange rate remains intact, the cumulative drop in the reserves over the past few months indicates that a fairly broad definition of "smoothing" has been applied by the Bank of England in its foreign exchange dealings.

The recognition of a greater role for official operations in the exchanges has also been reflected in speeches made recently by Mr Gordon Richardson, the Governor of the Bank.

However, the reserves figures also show that the amount of intervention has been quite modest by historical standards. Although September's decline in the reserves is the second biggest since the sterling crisis of September, 1976, it is very much smaller than the $2.115bn underlying drop recorded in April, 1978, when there was a much more explicit intervention policy, under the Labour Government.

Week in Markets, Page 5: Editorial Comment and feature Page 14; Money Markets, Page 21, Lex, Back Page

£ in New York

	Oct. 1	Previous
Spot	$1.8340-8355	$1.8095-8115
1 month	0.08-0.15pm	0.08-0.15pm
3 months	0.45-0.55pm	0.45-0.55pm
12 months	2.15-2.35pm	2.20-2.40pm

Weekend retreat follows recovery

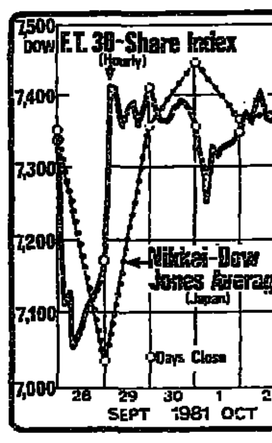
By Duncan Campbell-Smith

OPEN SPACES on the stock exchange floor betrayed a mass retreat to the country yesterday. Some shell-shocked market professionals left for the weekend which could not start soon enough for most.

The resulting calm seemed positively disconcerting for those who stayed behind. The FT Industrial Ordinary Index, up 1.3 on the day at 476.3, closed 1.6 points higher than on the previous Friday. So ended a week in which share prices had boomeranged wildly for two days and had left jobbers and brokers often in disarray.

On Monday morning the FT Index, already reeling from its biggest ever decline over the preceding fortnight, plummeted at the outset of the day and notched up a 6 per cent fall, 29.4 points, by noon.

Tuesday's rebound was no ordinary recovery. Wall Street overnight had laid to rest Mr Joseph Granville's infallibility — he of the Cassandra



prophecies — by rallying sharply and Tokyo had leapt up in the early hours of *London's day. The market pro*ceeded to equal its biggest ever one-day rise of 23.7 points "Mad yesterday and mad today," said the brokers.

The mayhem on the dealing front subsided in mid-week. *All eyes stayed on Wall* Street's ticker tape, however, and just to sharpen the tenterhooks there was clearly something afoot in the London money markets.

The clearing banks' action *in increasing their base rates* on Thursday complied with simple market logic, or so said the discount houses. How much the Bank of England had added or subtracted to help the clearers come up

Continued on Back Page
Equity turnover rises Page 3

OVERSEAS NEWS

Communists fire thirty critics in Paris purge

BY TERRY DODSWORTH IN PARIS

THE FRENCH COMMUNIST Party yesterday ejected 30 of its most vigorous internal critics in a move designed to rally the party members behind the leadership before the next Congress in February..

The exclusion of the 30, led by M Henri Fiszbin, a former member of the party's central committee, reinforces the leadership's line of giving only qualified support for the present Socialist-led Government in which there are three Communist Ministers.

M Fiszbin has been one of the most outspoken Communist supporters of the union of the Left and was deeply opposed to the strategy which led the Communist party into bitter attacks on the Socialists last year.

This mass sacking is the largest purge in the French Communist party since a similar affair in 1934. It follows an attempt by M Fiszbin to open up the Communist party to more democratic debate by means of a weekly magazine allowing a wide range of comment. The matter came to a head when he refused to abandon the magazine on instructions from the Central Committee, which said yesterday that he was therefore deemed to have excluded himself from the party.

The Fiszbin affair comes at the same time as signs that the Communist Party in the National Assembly is determined to emphasise its independence fro mthe Socialists.

Following the 1982 Budget announcement earlier this week, the Communists have made it clear they will be critical of some of the new taxation measures, which they may even seek to amend.

Whiel careful to stress that they still support the Government, the Communists argue that the proposed Bill is not severe enough in taxing the rich, and will hit the poor, especially workers on the minimum wage. They will therefore seek to give complete protection from the new taxes to employees in the low-pay category.

At the same time, the Communists say they are not happy with the heavy new taxes on alcohol, cigarettes and petrol. They would have preferred to see more revenue raised from the international oil companies.

Mitterrand seeks to stabilise currencies

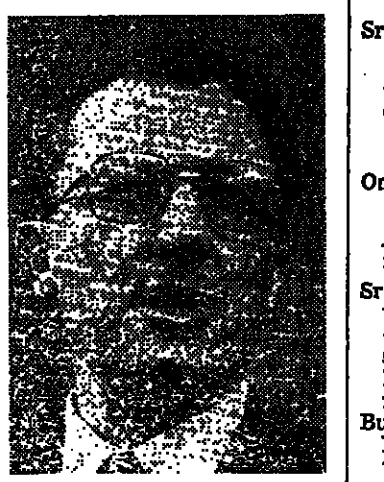
BY JONATHAN CARR IN BONN

FRANCE is looking for progress during next week's Franco-West German talks on a European initiative to bring greater inter national currency stability.

This was revealed by M Jacques Delors the French Finance Minister, in an interview published yesterday by the German economics newspaper, Handelsblatt.

M Delors said Paris hoped that the way could be cleared for a European monetary step "in the direction of Bretton Woods," at talks between President Francois Mitterrand and Chancellor Helmut Schmidt on Wednesday and Thursday.

The Minister made clear he was talking of something more ambitious than a realignment within the European Monetary System, (a likely move in the autumn).



M Jacques Delors . . .

President Mitterrand was looking for support from Herr Schmidt on a policy of coordinated interest rate cuts in the European community countries. "and more stability in the relationship between the European Currency Unit (ECU) and the dollar." The object was to create the conditions for quicker emergence from economic recession.

M Delors stressed that this implied a move by the Europeans to persuade the Americans to give up their "benign neglect" of the dollar.

M. Delors said he had previously outlined ways in which Europe could be better protected against high U.S. interest rates and dollar fluctuation, but that his ideas had been termed "unrealistic" by the Bundesbank, the West German Central Bank. Nonetheless, he felt the Paris initiative would fall on fruitful ground in the Federal Republic too.

It is not clear why M. Delors has come to this conclusion. Government sources stress that Bonn, like Paris, urgently wants to see lower interest rates in Europe and is doing what it can to persuade the Americans to reduce dollar fluctuation.

But it is felt in both the Finance Ministry and the Chancellery (as well as the Bundesbank) that implementation of the French plans would imply either large-scale intervention in the currency markets, or imposition of capital controls—or both. The Germans show no disposition to accept this.

The sources describe a realignment in the EMS, probably involving a higher revaluation of the D-Mark as well as a devaluation of the French franc, as already overdue.

It is noted that the operation would be complex since a move by the French franc would have repercussions for the Belgian franc—and through this for the guilder, since Belgium and Holland are linked in the Benelux union.

However, the main obstacle is still seen as a political one—that the new French Socialist Government has felt unwilling to devalue the currency in its first months of office.

Sr Delfin Netto . . . reassures Brazilians

Brazil to fight IMF loan plan

By Andrew Whitley in Rio de Janeiro

BRAZIL has reacted strongly to the American proposal made at this week's IMF conference in Washington, which has been unofficially adopted by the World Bank, that more advanced developing countries, such as Brazil, Mexico and Argentina, should be weaned off concessionary loans.

In the 12 months to last July, Brazil received a record US$ 844m (£461.2m) in World Bank aid—over a quarter of all such lending to Latin America. Very little of this was on concessionary terms, but the prevailing interest rates were still well below current bank rates.

Sr Ernano Galveas, the Finance Minister, was reported yesterday to have received assurances from Mr A. W. Klausen, the World Bank president in Washington, that the weaning process, labelled "graduation," was not imminent in Brazil's case.

Sr Galveas said the World Bank intended to maintain the real level of its lending to Brazil. This meant an increase of between 8 per cent and 10 per cent in the current financial year.

On Thursday, the top three economic officials remaining in the country assured the public that they would fight to maintain the status quo.

Sr Delfim Netto, Planning Minister, said he agreed in principle with the economic message of President Ronald Reagan as outlined at the IMF meeting.

But both he and Sr Camilo Penna, the Commerce Minister, returned to their favourite charge that the U.S. must bear the blame for the higher interest charges that Brazil is groaning under. These are estimated to have put an additional $5bn to $6bn on to the overall foreign borrowing requirement.

Brazil intends to take up the principle of "graduation" with the U.S., adding another stone to a growing pile of largely economic differences building up between the two biggest countries in the hemisphere.

Hong Kong interest rates up 2%

By Kevin Rafferty in Hong Kong

HONG KONG'S financial authorities yesterday raised interest rates by 2 per cent, giving as the reason the continuing weakness of the local dollar. Best lending rate, the equivalent of prime rate, went up to 20 per cent from its record 18 per cent.

Interest rates are set by the Association of Banks, after consultation with the Financial Secretary. Earlier in the week, the authorities demanded that banks and deposit-taking companies submit weekly instead of monthly reports about their open foreign exchange positions at the close of business every Wednesday. There was talk that some banks or companies had been speculating against the Hong Kong dollar.

Mr John Bremridge, the Financial Secretary, would say only that banks and deposit-taking companies had been told to report weekly.

THE Hong Kong dollar dropped to 6.16 against the U.S. dollar this week, just over 81 per cent against its trade-weighted average. Towards the close yesterday, before the new rates were announced, it had firmed to 6.03 to 6.05. The authorities' intention seems to be to try to strengthen the local dollar to 5.50 to 6 against the U.S. dollar.

The Hong Kong financial community is already asking why the authorities waited so long if they were going to raise rates. The weaker dollar had helped exporters.

Mr Frank Heath, managing director of Sun Hung Kai Securities, said in an article published yesterday in World Money Analyst that "a relatively weak Hong Kong dollar is a fairly light price to pay for very low unemployment here and a well above average rate of growth."

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Five ways to ensure the survival of the U.S.

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT RONALD REAGAN'S strategic programme, announced yesterday, has five main "mutually reinforcing" elements:

- Communications and control systems. The aim is to provide the U.S. with a command and control system that would survive a Soviet nuclear attack.

Present systems could not "operate reliably over an extended period after a Soviet attack, if that proved to be necessary," the Pentagon says.

There are to be improvements in the ability to survive, performance and coverage of the radar and satellite systems designed to warn of a Soviet missile attack and in the airborne command centres that would direct U.S. strategic forces in a nuclear war.

"Survivable" communications are to link all three elements of the nuclear triad—land, sea and air-based forces—and a research and development programme will be undertaken to increase the length of time communications could be maintained.

- Bombers. One hundred modified long-range B-1 bombers are to be deployed starting in 1986 to replace B-52s. Older B-52s will be retired next year and in 1983, while newer ones will be modified to carry air-launched Cruise missiles starting in 1982. Altogether, 3,000 Cruise missiles will be deployed on B-52s and B-1s.

Work will go ahead "vigorously" on the "stealth" bomber, with the latest radar evasion equipment, for deployment in the 1990s.

- Sea-based forces. Construction of Trident ballistic missile submarines will continue at one a year between this year and 1987. A larger and more accurate sea-launched ballistic missile—the Trident II or D-5—will be deployed on Trident submarines from 1989, and several hundred nuclear sea-launched Cruise missiles will be deployed on general-purpose submarines from 1984.

- Intercontinental ballistic missiles. President Carter's "multiple protective shelter" basing system for the MX mobile missile is cancelled, but the missile will continue to be developed and deployed. Initially, it will be put in existing Titan or Minuteman silos that will be reinforced to increase resistance to nuclear attack.

Studies will continue on three other basing modes with the aim of selecting one or more by 1984. They are putting the missile on board "a survivable long-endurance aircraft," defence of land-based MX missiles by an anti-ballistic missile system (ABM), and hiding the MX in much deeper underground silos than exist.

Ageing Titan missiles are to be de-activated as soon as possible.

- Strategic defence. The North American air surveillance network will be upgraded in co-ordination with Canada. Five squadrons of ageing F-106 interceptors will be replaced with F-15s. At least six additional Awacs airborne surveillance aircraft will be deployed over North America and an "operational anti-satellite system" will be pursued. Technologies will be developed for space-based missile defence and an expanded, cost-effective civil defence programme is to be worked out.

Kevin Rafferty adds: Mr John Nott, UK Defence Secretary, who is in Hong Kong, hinted strongly that President Reagan's decision to go ahead with the D-5 missile weapon system means Britain will almost certainly adopt the missiles for its Trident nuclear submarine programme to replace Polaris.

Each D-5 missile has 14 warheads compared with eight of the existing C-4s. They are more accurate and allow submarines a slightly longer range than the 4,500 miles for those equipped with C-4s. They will increase the cost of the Trident programme, officially estimated at £5bn, although that is an underestimate at current prices.

Mr Nott, who is on a tour of Asia, said: "If the U.S. is moving to a new system, then there will be undoubted advantage in our keeping alongside them." He stressed that the political decision had not been made. "There is a great deal of discussion and detailed study with the Americans which will still have to take place."

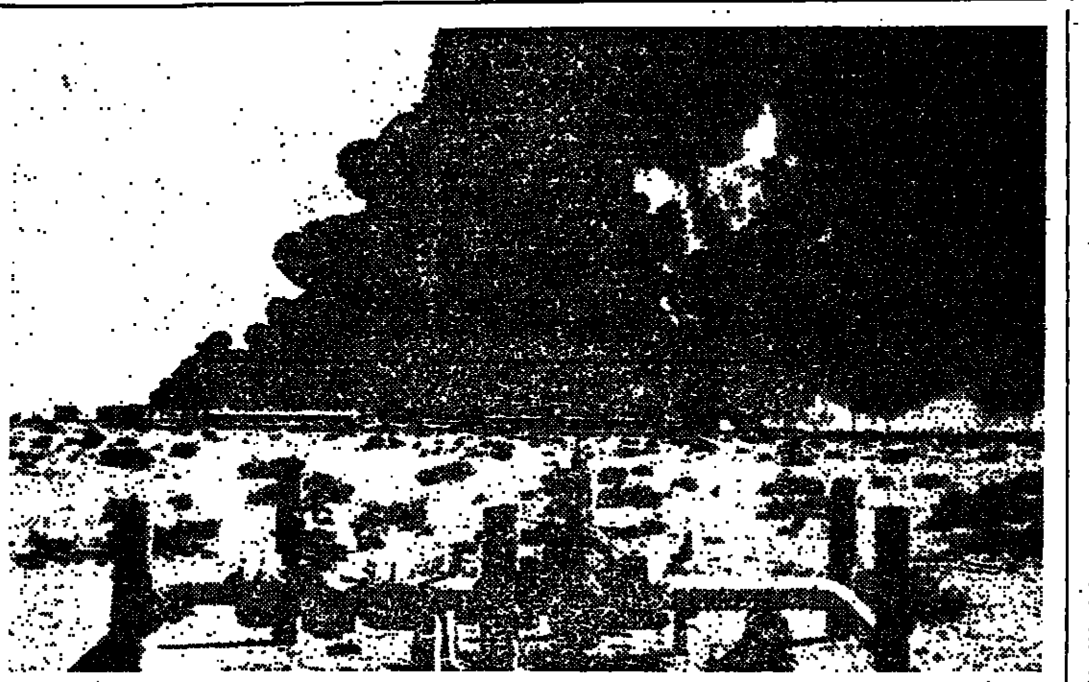
President Reagan

Israel 'not interfering'

ISRAEL yesterday brushed off an implied complaint by President Ronald Reagan that it was interfering in U.S. internal affairs by seeking to block sales of advanced aircraft to Saudi Arabia, our Tel Aviv correspondent writes.

A high-level official in Jerusalem said Israel had a duty to make clear that the proposed sale of advanced warning and control systems (Awacs) aircraft would jeopardise Israel's security. "If intervention means telling the truth about something that endangers you, then call it intervention."

Israeli leaders were disturbed by Mr Reagan's remarks at a Press conference on Thursday when he said it was "not the business of other nations to make American foreign policy." The Israelis, while hoping the sale will be defeated in Congress want to make sure the event leaves as few scars as possible on its relations with the White House.



Palls of thick smoke rise above the oil installation at Umm al Aish in Kuwait after Thursday Iranian air raid. Fire fighting teams were still battling the blaze 10 hours after the dawn attack. But Kuwaiti officials said the fire was under control. No one was injured.

Danish election moves closer

BY HILARY BARNES IN COPENHAGEN

THE LIKELIHOOD of a general election in Denmark at the end of this month has increased following the failure of the Social Democratic minority Government and supporting parties to progress in economic policy negotiations.

Mr Aanker Jorgensen, the Prime Minister, threatened last weekend to call an election if the three small parties which normally support the Government failed to come into line on proposals for generating cheap capital to industry and agriculture.

After negotiations with these parties—the Radicals, Christtians, and Centre Democrats—Mr Jorgensen has left the impression that he meant his threat. He is to meet the parties again on Wednesday. If these talks produce no result, it is expected he will announce on Thursday an election to be held on October 27 or November 3.

The Government plans to introduce index-linked bonds with a low fixed "real" interest rate. To make index bonds attractive, it plans a 40 per cent tax on the interest income from other bonds investments earned by pension funds, life insurance companies, private pensions, and saving schemes.

Yields on Government and mortgage bonds average a more than 20 per cent swing almost 10 per cent after inflation. The other parties cannot agree to the tax plan.

Further lay-offs by Fiat will hit 70,000 workers

BY RUPERT CORNWELL IN ROME

FIAT, the Italian motor company which recently regained the position of European market leader, yesterday announced a further three weeks of lay-offs for more than 70,000 car workers next month and in December.

The decision announced in Turin to union representatives, comes on top of layoffs that begin on Monday. These wil run for a fortnight in most of the group's Italian plants. Only at Desio and Termini Imerese in Sicily, where Fiat makes the popular Panda utility model, will the lay-offs be for seven days.

The unions have reacted impassively so far to Fiat's decisions. It is recognised they reflect the international car market's continuing weakness, although the company has pushed its European market share to 13.3 per cent, narrowly the largest of any manufacturer.

Fears are growing that the long-standing depression of other European markets will soon spread to Italy where sales have been above 1980 levels.

The car industry's problems are one reason for the unusual document—almost a White Paper—issued this week by Fiat, Italy's biggest private company, urging greater collaboration with the public sector, in particular the state-owned IRI conglomerate.

The intention of such a strategy, according to Fiat, would be to cut out costly duplication and achieve the economies of sale essential in the tougher conditions ahead.

Fiat hopes to sign by January an outline co-operation agreement with Alfa Romeo, its car manufacturing rival controlled by the Finmeccanica division of IRI. By November, its special steels division Teksid may have reached agreement to collaborate with the Finsider steel division of IRI in a joint venture.

Yugoslavia 'on brink of major crisis'

By Anthony Robinson

YUGOSLAVIA'S Communist Party President, Mr Lazar Mojsov, yesterday warned that the country was in serious economic difficulties and must make a sharp turn in economic policies. His warning came as Yugoslavia prepares the ground for a new $400m (£218.5m) Euro-credit later this month.

Mr Mojsov said Yugoslavia was heading for a major economic crisis. "Many people have not realised the depth of the abyss we are heading for if we continue with irresponsible attitudes to economic stabilisation measures," he added.

Mr Mojsov's warning, echoed in Parliament by Mr Veselin Djuranovic, the Prime Minister on Thursday, is the latest in a series of gloomy economic prophesies caused by soaring inflation and the inability of Yugoslavia's six republics and two autonomous provinces to keep a tight rein on public spending.

Eta claims responsibility for attack

Bomb blasts Spanish destroyer

BY ROBERT GRAHAM IN MADRID

A SPANISH destroyer, docked in the northern port of Santander, was holed yesterday by an explosion believed to have been planted by the militant Basque separatist organisation, Eta.

An anonymous caller telephoned a Basque radio station, saying Eta was responsible. The caller said the next action would be against a ship at sea.

If it was Eta, it is the first time the group has used naval targets. Traditionally, Eta has limited itself to assassinations and latterly a vigorous campaign against installations of the company supplying electricity to the Basque country, Iberduero.

The Defence Ministry would not give details of the damage or say if anyone was hurt. The attack on the 3,000-tonne destroyer, Marques de Ensenada, occurred at 5 am when the crew were still asleep. The hole was below the waterline and close to the vessel's fuel tanks.

First suggestions that the explosion device was planted by a frogman were lated discounted by the Defence Ministry. It is more likely the device was attached to a boom from the jetty.

For the past four months, the Spanish Navy has intensified patrols off the Basque coast to prevent arms shipments and frontier evasion by Eta. This is the first major terrorist action in almost two months of unexpected lull. ...

For the past ten days, the security forces have been on the alert for a new wave of violence. This has been especially noticeable in Madrid, with extra patrols and helicopter surveillance.

During the lull, Eta is reported to have been divided on its tactics, faced with tougher security in Spain, and an effective ban on their activities inside France

Beirut car bomb toll up to 100

By Ihsan Hijazi in Beirut

THE DEATH toll in the car bomb explosion in Beirut on Thursday has risen to 100 after several of the wounded died, according to hospitals in the Lebanese capital.

It is the highest number of casualties suffered in a single incident since the Israeli air strike against Beirut in July. The air raid in the same densely-populated area killed 300 people.

The scene of the explosion was a quarter of mainly Moslem West Beirut where many Palestinian families live and a number of Palestinian guerrilla organisations and Lebanese left-wing groups maintain offices.

An anonymous caller telephoned news agencies claiming that the blast was the work of the Front for the Liberation of Lebanon from Foreigners. It has made similar claims in the past, although the group and its members are virtually unknown.

The Palestine Liberation Organisation (PLO) has blamed Israel and its agents for the massacre. Mr Chafik al-Hout, who heads the PLO office in Beirut, warned that the guerrillas will reconsider their position on the ceasefire with Israel if "the Israeli secret war" against the Palestinians continued.

In Beirut, Mr Mohsin Ibrahim, general secretary of the leftist alliance known as the National Movement, has charged that military intelligence chief Col. Johny Abdo and Mr Bachir Gemayel, military commander of the Phalange Party, the country's main right-wing Christian paramilitary organisation, were responsible for the recent series of booby-trapped car explosions aimed primarily against the left-wingers and Palestinian guerrillas. He threatened reprisals "at the right time

A statement issued by the Christian militia command denied the accusation and warned it will hold the left-wingers responsible should explosions be set off in Christian-controlled districts.

U.S. jobless figures reach 8m

By David Buchan in Washington

THE U.S. unemployment rate rose in September to 7.5 per cent — the highest level in five months. It was taken as a symptom of a weakening U.S. economy causing an increasing number of lay-offs.

Total unemployment rose by 309,000 to nearly 8m the Labour Department reported. President Reagan claimed at his Thursday conference that his tax cuts, which started to take effect this week, would turn the economy around by next year. But he sought to prepare the public for some gloomy news, warning that fluctuations in the inflation and unemployment rates would continue for a while.

The rise in the jobless rate has been anticipated because of the economy's poor performance since the surge in growth in the first quarter. During the second quarter, from April to June, Gross National Product fell at an annual rate of 1.6 per cent, and the preliminary estimate for the third quarter is an annual rate decline of 0.5 per cent.

The other major sign this week of economic weakness was the Commerce Department report that factory orders fell 1.9 per cent in August, after six consecutive months of increases.

Large rise in steel imports

By Our New York Staff

IMPORTS of steel into the U.S. were up 62 per cent in August and reached their highest level in four years, according to the latest report of the American Iron and Steel Institute. The volume was 2.23m tons.

Much of the increase was accounted for by products for the oil industry such as pipes and tubes, which more than doubled. The U.S. industry has had trouble meeting the vastly increased demand for these products. However, there was also a rise in sheet steel imports which come mainly from Europe and is used by the car industry.

The news provoked a sharp reaction from the steel industry.

UK NEWS

Don't try to rig poll for SDP leader, warns MP

By Margaret Van Hattem

THE OPENING SHOTS in what promises to be an acrimonious battle over the leadership of the Social Democratic Party were fired yesterday by Mr Mike Thomas, MP for Newcastle East, when he warned party members not to try to rig the election procedures.

The method of electing the leader is expected to dominate next week's inaugural SDP conference. Mr Thomas pointed to the split between the party's steering committee, which wants the leader elected by MPs, and other party members who feel every member should be allowed to vote.

The procedure would be decided in a postal ballot of members and, "we must make sure that our discussion is about the principles of the matter," Mr Thomas said.

"We have seen in the Labour Party what happens when determined men set out to rig an election system, so that it will provide the result they want."

There could be no question of the party having two leaders, Mr Thomas said. Only one person could be party leader in Parliament and candidate for Prime Minister.

The post of president of the SDP was intended to provide a voice for the party outside Parliament, not a rival focus of power in Parliament. It was not a "neat device to ensure 50 per cent of the Gang of Four are happy, rather than 25 per cent," Mr Thomas said.

The post was intended for an elder statesman figure, or for a major SDP figure who did not aspire to a senior position in Parliament.

Thatcher sacks senior Whips

TWO SENIOR Government Whips have been dropped in a reshuffle of the Whip's Office by the Prime Minister.

Mr Spencer Le Merchant has been replaced as Comptroller of Her Majesty's Household by Mr Anthony Berry, and Lord James Douglas-Hamilton has been dropped as one of the Lords Commissioners. Mr Carol Mather has been promoted to vice chamberlain of Her Majesty's Household, replacing Mr Berry.

Three Lords Commissioners have been appointed; Mr Antony Newton, Mr Peter Brooke, and Mr John Selwyn Gummer, replacing Mr Mather, Lord Douglas-Hamilton and Mr John Wakeham, recently appointed Parliamentary Under Secretary for Industry. Three assistant whips have been named: Mr Nicholas Budgen, Mr David Hunt and Mr Ian Lang.

Ronson sale delayed a week

THE purchase by Cavwain of Ronson Products from the receivers and managers, which should have been completed yesterday, has been delayed a week.

Cavwain said last night: "In order to enable the complex legal requirements of completion to be properly effected, all parties have agreed that it shall take place on Friday, October 9." Cavwain's solicitors had warranted the availability of funds in time for completion today "if it had been legally possible."

Lucas to shed 800 more in West Midlands

BY LORNE BARLING

LUCAS ELECTRICAL, the vehicle electrics division of Lucas Industries, is to make a further 800 workers redundant, bringing the total to 5,800 since June last year.

The division, with 13 plants, of which 11 are in the West Midlands, had suffered severely from the motor industry recession, but yesterday's cuts were aimed at improving productivity, the company said.

The redundancies which will take place during the next three months, will affect white-collar employees and service workers, balancing the major reduction in the manual workforce over the past few months.

Lucas said: "These measures are aimed at achieving necessary reductions in overhead costs in an effort to meet overseas price competition."

Further job losses at Lucas Electrical were forecast earlier this year, following a £27m group loss in the six months to last December. The company said yesterday there were no plans for additional lay offs.

The announcement came at the end of a bad week for employment in the Midlands, with the loss of 1,500 jobs at BL's Longbridge plant and 400 at GKN's fasteners division.

Lucas plants affected by the cuts include Signal Lamps at Shaftmore Lane and Plastics and Dyecasting at Perry Barr. A small factory will be closed but its 40 workers will be offered alternative jobs.

The company said: "Either we get costs down or we cease to win orders. This has been made clear to the workforce." It added that there would be reductions in the service workforce and some cuts at its Great King Street headquarters, which are included in the overall redundancy figure of 800.

● Short Brothers, the government-owned Belfast aerospace company, will shed another 300 jobs on top of the 200 it cut in August. It will bring the labour force down to about 6,500.

The company said that orders were strong but it had a short term problem because some customers wanted to stretch their delivery requirements over the next few months. The number of employees on short time working will rise from 200 to 500 and the company is cutting the number of apprentices it hires.

● Sir Joseph Causton and Sons (Eastleigh), a subsidiary of Sir Joseph Causton and Sons, the lithographic and letterpress printer and stationer, is negotiating with unions to cut the workforce at its Brookwood Avenue, Eastleigh plant by nearly 30 per cent, writes **James McDonald**.

The management says the reduction in the workforce, from 420 to 300 jobs, is necessary because of the "rapid and severe decline in the general print market, overcapacity in the UK, severe competition from abroad, and pressure on margins." In June last year the company gave the same reasons for a cut of 140 jobs at Brookwood Avenue.

If the labour cuts are accepted, the company is prepared "to invest substantially in new plant to re-equip the Eastleigh factory and improve its competitive position," the company said.

De Lorean pays in £395,000 dividend

DE LOREAN, the Belfast-based sports car company, yesterday handed over its second dividend cheque—for nearly £395,000—to Northern Ireland Department officials.

This means that De Lorean, backed with about £80m of UK Government cash, has so far paid out £599,770.

Under the agreement between the Labour Government and De Lorean in 1978 the company undertook to pay a royalty of £185 on each of the first 90,000 cars it produced and £45 a car thereafter for a period of 10 years.

De Lorean expects royalty payments to reach about £5m by the end of 1982, representing an output of 27,000. The first cars arrived in the U.S., the first market, in June where they have been selling at well above the $25,000 (about £12,890) list price. Employment at the plant climbed above 2,000 in August, more than three years ahead of target.

£5m for BICC

BICC, the cable and construction group, is to supply about 80 per cent of British Telecom's latest orders for optical fibres to be used in junction networks linking local telephone exchanges. It will also supply the longest optical fibre trunk link in the UK—between London and Birmingham.

The order for 5,000 kilometres of fibre—hair-thin strands of glass capable of carrying thousands of telephone conversations — is worth £5m.

Beer output falls

BEER output fell by 4.8 per cent to 25,085,575 bulk barrels (7,200m pints) in the first eight months of this year compared with the same period in 1980 when production stood at 26,342,506 bulk barrels (7,586m pints), state Brewers' Society production figures published yesterday.

Production for August was 3,330,951 bulk barrels (959m pints) and reports from public houses suggest trading is still very slack.

Decision delayed

FORMER property tycoon William Stern, 45, whose 1978 bankruptcy with debts of £118m, is thought to be the world's biggest, was told again yesterday that he will have to wait before a decision can be made on his application for discharge.

The hold-up is due to a pending appeal set down by three creditors who want to question him about his lifestyle as a bankrupt.

Playboy must wait

THE Playboy Club must wait until Monday to hear the result of police and Gaming Board objections to the Westminster Licensing?— renewal of the licence. At yesterday's hearing, South Westminster Licensing Justices retired at 12.45 pm but failed to reach a decision.

National grid link for Orkneys

THE Orkney Islands are to be linked to the national grid by a 25-mile submarine cable—the longest in Britain.

Hunger strikes losing effect, says Sinn Fein

BY OUR BELFAST CORRESPONDENT

A LEADING figure in the Provisional Sinn Fein, the political wing of the Provisional IRA, has admitted that the hunger strikes at the Maze Prison in Belfast are putting "little or no pressure" on the Government.

Mr Richard McAuley, chairman of Sinn Fein in Belfast, said it was too early to predict an end to the protest but acknowledged that the prisoners faced a major problem because of intervention by the families of the hunger strikers.

Unless the prisoners can find a means of overcoming the intervention of relatives, they must reassess the hunger strike," he said.

Seven strikers have given up or have been taken off the protest by relatives. Ten have died. The last death was on August 20.

The Provisional IRA has not yet replaced Mr Bernard Fox and Mr Liam McCloskey, who gave up their fasts last week. Six prisoners are now going without food.

Lord Gowrie, Minister of State responsible for Prisons, has told the relatives of the strikers that the prisoners' five demands are not on offer.

A former Stormont Cabinet Minister has said that Ulster Unionists should give a warm welcome to the suggestion by the Irish Premier, Dr Garett FitzGerald that the Irish constitution should be changed.

Mr William Craig criticised his own official unionist party for its reaction to the statement. He said he would like to see the unionist leaders talking to the Irish Government.

Mr. Craig, who lost his Westminster seat in the last election to a candidate from Mr Ian Paisley's party, said Dr FitzGerald's statement might have been made in the wrong context as far as unionists were concerned because it was aimed at a united Ireland.

It was also a clear recognition that the Irish constitution does not apply to all of Ireland. If Dr FitzGerald were successful it would be easier to see a new relationship with Dublin.

He said the right pattern for northern devolution should be federal. If it was not possible to achieve peace and stability within the union, Isle of Man status should be considered.

Support for Belfast P & O ferry refused

By Andrew Fisher, Shipping Correspondent

THE GOVERNMENT yesterday declined to bail out P & O Ferries' loss-making Liverpool-Belfast service, but trade unions plan further efforts to try to bring about a change of mind.

P & O said earlier this week that it would end the 172-year-old service on October 12 unless the Government agreed to take full commercial responsibility for it.

At yesterday's meeting with P & O and the six trade unions representing the 350 employees on the service, Mr David Mitchell, Under-Secretary of State at the Northern Ireland Office, made it clear that the Government was not prepared to put money into the route. The company reckons that the service is losing it money at a rate of more than £1m a year.

Since P&O had decided not to put new ships on the route or sustain further losses, the only hope "would be a swift agreement between unions and employers on manpower savings," he said.

Last night, P&O and the trade unions concerned said jointly that in spite of the Government's view "there are community, strategic and political aspects which may not have been fully considered."

The company said it would review the situation fully early next week.

The unions said they would "continue to take strong and urgent action to reverse the Government's attitude."

P & O's losses on the route—used by about 280,000 passengers a year, well down on previous numbers—are running at double the rate of both last year and 1979.

The Government has said that other companies have expressed interest in the route.

The unions have indicated the possibility of industrial action on the Northern Ireland and other routes. But P & O said last night that its ships were expected to sail normally.

The unions are expected to try to persuade the Government to keep the service going because of high unemployment in Liverpool and Belfast, and to maintain surface transport links with Northern Ireland.

Scottish Secretary details plans to hand over new towns

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE GOVERNMENT has expressed its confidence in the five Scottish new towns as centres of economic growth. But they will be wound up as they approach their designated population targets, it has indicated.

Plans to wind up the English new towns, as well as increased restraints on public spending, are thought to be partly behind assurances yesterday issued by Mr George Younger, Secretary of State for Scotland.

But his statement was also designed to set up a framework for finishing the new towns by the end of the 1990s.

The main cost to the Government from the new towns is housing, and the five Scottish towns this year are expected to spend about £35m building homes. But in allocating loans, the Government is expected to urge restraint on building, by making homes more job-orientated and by having houses built by the private sector where possible.

The effects of the restraint, along with the Government programme to sell off council houses, is gradually to reduce the level of debt which the new towns will eventually hand over to the regional authorities when the towns are disbanded.

Mr Younger's policy statement pointed out that the role of the new towns as providers of sites for overspill homes from congested urban areas had been fulfilled. "And once their role in promoting rapid initial economic growth has also been fulfilled, then the development corporations will be obvious candidates for dissolution."

Because the pace of economic development in Scotland was not sufficiently predictable in drawing up target growth dates, this was best done through population levels, the statement pointed out.

Of the five new towns, Cumbernauld, East Kilbride, Glenrothes, Irvine, and Livingstone, only East Kilbride was near its target population with 71,316 inhabitants and a goal of 82,500. East Kilbride is unlikely to reach its target before the end of the decade. The other new towns would not be likely to reach theirs until well into the 1990s.

The statement said that when a new town was nearing its designated population, the Secretary of State would set a time for its transfer to the local authority. It suggested that the date should be fixed five years in advance, when the population came within 5,000 of the target.

The statement, which is to be discussed by the new towns' local authorities, MPs and other bodies associated with regional development, has proved timely. The Government has recently returned its attention to deprived urban areas.

But the Scottish Office made it clear that the new towns remained an important element of growth. "If the new towns are to succeed as continuing industrial growth

Government policy worries managers

BY ARNOLD KRANSDORFF

THE REPRESENTATIVE body of Britain's managers said yesterday that its 72,000 members were beginning seriously to question the credibility of the Government's economic policy.

Mr Roy Close, director general of the British Institute of Management, described the current industrial situation as grave.

"British managers expected the squeeze and the tight monetary policy—some even welcomed it—in the expectation that there would be signs of an upturn by the end of the year," he said.

"Both Government and industry now agree that this is not in view any more.

"The slump has gone on longer than expected. The burden has increased, not decreased. We have got to the stage where in the minds of many managers the situation is so grave that they are beginning to question the credibility of the Government's policy."

Mr Close said that he had made strong representations to Sir Geoffrey Howe, the Chancellor of the Exchequer, and Treasury officials at a series of meetings in the past three weeks. The recent four-point increase in interest rates made the situation more critical.

The institute had urged the Government to begin a "substantial investment programme to improve the country's industrial infrastructure." This should include new rolling stock, road freight, port installations, motorway and airport facilities, and new technology.

Presenting the institute's annual report, Mr Close said it planned to move a third of its 160 staff out of its Holborn, London, headquarters.

This was because of the increased rates burden imposed by the Borough of Camden. This year the levy would increase by more than a fifth to £131,000, excluding the supplementary rate due to be announced later this year. The move would release some space which would be sub-let.

Coach consortium will offer holidays abroad

BY JAMES McDONALD

A GROUP of 14 British coach operators has formed a consortium which will offer continental coach holidays next year.

The major selling attraction is that customers will be able to join their coaches at more than 250 pick-up points, rather than have to make their own travel arrangements to London or other big city departure points.

Members of the consortium —LECO (Local European Coach Operators)—have a combined fleet of more than 450 vehicles and are established throughout the country. All are experienced in continental coach travel.

LECO will offer 13 tours, ranging from week-end city breaks in Paris and Cologne to longer holidays in resorts. There will be 330 departures with capacity for 15,000 holidaymakers.

The operating agent for LECO is Warwick Travel, London, which has used the consortium's bulk booking power to ensure economies on hotels and channel ferries.

Each member company offers a number of departures, or pick-up points in its area. In cases where the tour coach does not make the pick-up, customers are brought to the central departure point by taxi or minibus. This service is included in the basic price of the holiday.

● Warner Holidays—now part of Grand Metropolitan's leisure division—is expanding its facilities in Majorca and Ibiza next year.

Its 1982 programme features a new cabaret-entertainment hotel in Alcudia, a tours programme to San Antonio, Santa Eulalia and Cala Longa, and a new holiday club for 18 to 25-year-olds in Es Cana, Ibiza.

Stock Exchange business in September

Equity turnover rises 26.1%

BY NIGEL SPALL

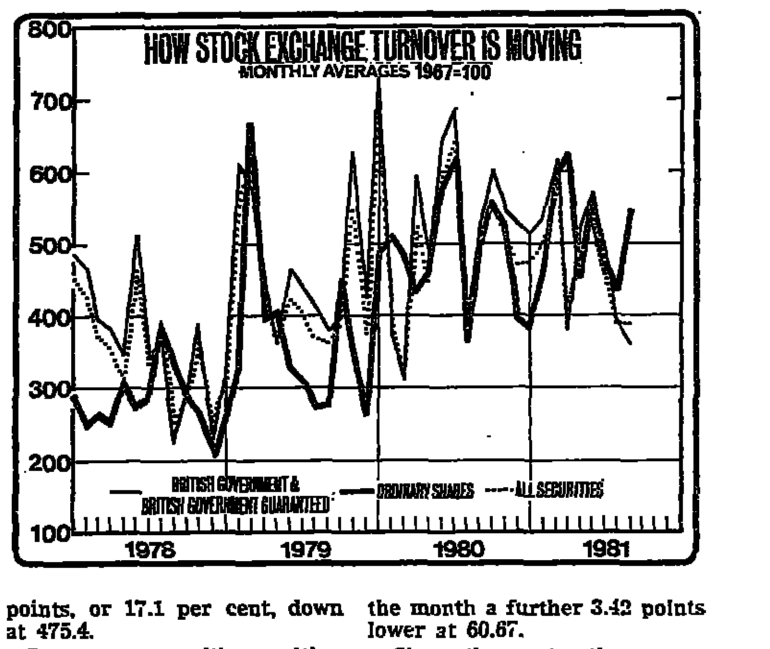
THE AUTHORITIES' signal for higher short-term interest rates forced an unprecedented fall in equity values last month, but pushed equity turnover to its highest level since June.

Turnover in equities rose £633m, or 26.1 per cent, to £3.06bn and reflecting the increased trade, dealings rose by 83,252 to 347,103, the highest level since April of this year. The Financial Time turnover index for ordinary shares moved up to 546.2 last month compared with August's 433.3. However, the average value per bargain was £384 lower at £8,819.

The Bank of England's signal for higher short-term interest rates on September 14, quickly followed by a rise in clearing bank base rates to 14 per cent, prompted an extremely harrowing period for equities which became completely demoralised.

Prices slumped dramatically and the month embraced one of the most traumatic trading accounts ever witnessed which ended with prices still falling. The Financial Times Industrial Ordinary Shar Index ended a record 78.7 points, or 14.2 per cent, down over the period at 474.7.

Thereafter, the volatility of prices was well illustrated, again by the FT 30-share index, which recorded its heaviest-ever inter-day loss of 29.4 points on September 28, only to close 23.7 points higher on September 29, thus equalling its biggest-ever one day rise. The index ended the month a record 98.4 points, or 17.1 per cent, down at 475.4.



In contrast with equities, trading in gilt-edged securities fell £805m to £8.52bn. A fall of £1.27bn in short-dated stocks, to £3.61bn, was the main feature, eclipsing a rise of £469m to £4.9bn in longer-dated and medium securities. The overall number of gilt-edged bargains fell by 3,405 to 73,202 despite a 5,161 improvement to 52,860 in longer-dated issues.

The Financial Times turnover index for Government securities reflected the overall decline in gilt-edged business by falling to 360.6 from August's 394.6. The FT Government Securities Index moved close to its lowest level for five years and ended the month a further 3.42 points lower at 60.67.

Given the contrasting movements in trading volume of equities and gilt-edged, business in all securities was marginally lower on the month at £12.68bn. The number of bargains for all securities rose by 84,841 to 450,495. The FT Turnover Index for All Securities slipped to 388.6 from 390.3 the previous month.

Gold share prices also fluctuated wildly last month. The Financial Times Gold Mines Index closed the month 7.5 points lower at 371.2 after attaining 429.0 on September 14, while the price of gold bullion rose $3½ from August's close of $427.0.

Category	Value of all purchases and sales £m	Total %	Number of bargains	Total %	Average value per day £m	Average value per bargain £	Average number of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years *or less to run)*	3,609.6	28.5	20,342	4.5	164.1	177,445	925
Others	4,910.2	38.7	52,860	11.8	223.2	92,890	2,403
Irish Government Short dated (having five years or less to run)	429.6	3.4	2,038	0.5	19.5	210,805	93
Others	236.3	1.9	2,200	0.5	10.7	107,404	100
UK Local Authority	271.8	2.1	4,233	0.9	12.3	64,203	192
Overseas Government: Provincial and Municipal	29.6	0.2	898	0.2	1.3	32,962	41
Fixed interest stock, pref. and *prefd. ordinary shares*	132.5	1.1	20,821	4.6	6.0	6,364	946
Ordinary shares	3,061.1	24.1	347,103	77.0	139.1	8,819	15,777
Total	12,680.7	100.0	450,495	100.0	*573.4	*28,148	*20,477

* Average of all securities

GLC's £125m bid to revive public transport

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

FROM TOMORROW Londoners enter a new world of simple, low cost fares on their tube trains and buses. Fares throughout the area of the Greater London Council are to come down by an average of 32 per cent in an unprecedented attempt by the council to reverse the 30 year decline in the use of London Transport.

Lower fares was one of Labour's main election pledges in its successful attempt to win the GLC from the Tories in May.

Some of the fare cuts are likely to prove a big attraction in themselves, such as the 20p single maximum bus fare for travel any distance throughout the GLC area on a Sunday, and the 40p maximum single or 60p return tube fare also on a Sunday.

The average cut of 32 per cent is substantially higher than the cut of a quarter originally proposed. The GLC insisted that LT introduce low child fares, a 10p minimum on the buses and more generous cuts elsewhere on the system.

The fare cuts will benefit all users of London's buses and tubes, but only GLC ratepayers will foot the estimated bill of £125m (for a full year). This is the cost of the increased revenue support to be given to LT by the GLC to support the uneconomic fares.

The weekly rate bill for GLC ratepayers will rise by an average of £1.30 from this autumn as a result of the supplementary rate demands made by the GLC.

However, only 39p of this is directly attributable to the lower fares. A further 27p covers the decision by the GLC to write-off LT's forecast deficit for 1981 of £48.2m. The balance is needed for the GLC to counter the loss of Government grants.

Four zones to simplify cheaper tickets structure

A LOWER and simpler fare structure on London Transport buses and tube trains starts tomorrow. It is based on four zones, covering the whole Greater London Council area, from west of Uxbridge to east of Romford and from north of Barnet to south of Croydon.

The outer zone—orange on LT maps — covers all bus journeys in the outermost part of the GLC area to within five mlies of central London.

The inner zone—green on LT maps—is a ring three miles wide between the orange outer zone and the central London zones.

Central London has two zones. The west end zone—yellow on LT maps—covers all the west end area from Kensington in the west to Trafalgar Square and from Pimlico in the south to Baker Street. It includes Oxford Street, Piccadilly, Westminster, Knightsbridge and Victoria.

The City zone—blue on LT maps—covers the square mile of the City of London, and also extends to King's Cross station, includes Holborn and extends south of the Thames to Elephant and Castle, east to London Bridge and Shoreditch and west to Charing Cross station.

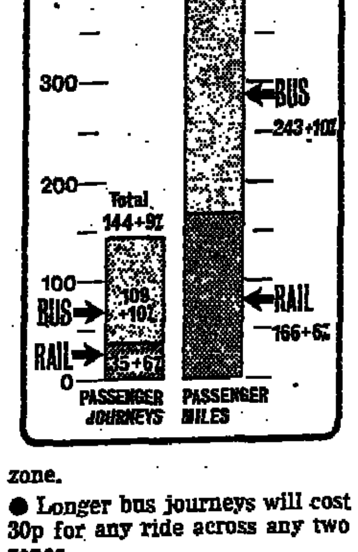
The blue zone and the yellow West End zone overlap in central London in a broad band —diagonal yellow and blue stripes on LT maps—stretching north and south through the centre.

The four colour zones are the base for the much simpler fare structure which comes in tomorrow, with a 32 per cent average cut in fares.

The present seven fare values from 12p to 70p will be replaced by only four fares for the whole of the LT bus network in the GLC area.

● "Short hop" bus journeys will cost 10p. This will cover three-quarters of a mile in central London, and one mile elsewhere, or approximately two or three stops. This 10p fare applies in all zones.

● Longer bus journeys will cost 20p for any ride in any one zone.



● Longer bus journeys will cost 30p for any ride across any two zones.

● Bus journeys will cost 40p for any ride across three or four zones. The 40p rate is the maximum fare for any bus journey anywhere in the GLC area.

Bus passes will also be cheaper. One zone passes will cost £2 weekly; £7.50 monthly; and £75 for an annual pass. Passes for any two adjacent zones will cost £3 weekly; £11 monthly; and £110 for a year. For three or four zones, passes will cost £4 weekly, £14.50 monthly and £145 for a year.

The new maximum Sunday bus fare on any journey, however long, will be 20p. The zonal system does not operate for buses on Sunday.

The price of the Red Bus Rover pass, giving access to the whole network for one person for one day, will drop from the present £2.10 to £1.20. The pass will cost 30p for those under 16 years, half the present cost.

Underground fares currently range from 20p to £2.20. These all come down tomorrow. In the West End and City zones—yellow and blue on the LT maps —the range of fares will be cut to just two.

Any tube journey in the West End zone or the City zone will cost 20p, and any journey covering both these zones will cost 30p.

Journeys outside these two zones will also be reduced, with the new maximum tube fare within the GLC area at £1.60.

One-zone tube passes, for the West End or City only will cost £2 weekly; £7.60 monthly; and £79 for a year. Two-zone passes will cost £3 weekly; £11.50 monthly; and £120 for a year.

For journeys with season tickets outside the two central London zones, prices will also be reduced. Tickets will continue to be issued on a station-to-station basis.

Underground tickets for travel outside the GLC area, will cost about 12 per cent more, from tomorrow. Travel on LT red buses which go outside the GLC area will go up by 9 per cent.

Chairman Alex tries to fill a few gaps

By John Hunt

AS THE WEEK'S jollities at Brighton drew to a close Mr Alex Kitson, the conference chairman, held up an unclaimed envelope containing a set of false teeth mislaid by a delegate. Perhaps the owner had discarded them as worn out by the millions of words poured forth in the bitter wrangles of the past four days.

On the whole, however, everyone was in a more relaxed mood and judging by the rows of empty seats many had already left to catch trains to the north. Anyone who popped out for a quick cup of tea might have missed the main business of the morning, the industrial relations debate, which was disposed of in 15 minutes flat.

Replying to the debate on behalf of the NEC Mr John Golding put forward the doubtful proposition that it was untrue to say that the unions were too powerful. The employers, he said, still have the whip hand and use it in the most brutal and authoritarian way—an assertion which will find little acceptance in the corridors of the CBI or the Institute of Directors.

So, what sort of conference had it been? Everyone seemed to have their own version. One delegate, Joanna Coyle, thought it had been a "great inspiration in the fight for socialism."

Another version was put by David Rose, of the Liverpool Daily Post, who had the unenviable task of replying to the vote of thanks to the press. He thought that witnessing the deputy leadership struggle had been rather like attending a play where you find out whodunnit in the first 15 minutes and spend the next couple of hours finding out why.

Mr Kitson, that bluff Scot, had no doubts at all. "Everyone was saying we would rip ourselves apart. We have nay done that. We are going away from here united."

A few minutes earlier a delegate had harped on the well-worn theme that the party should concern itself with policies not personalities. But this did not prevent Mr Kitson making a scathing personal attack on Mr Dickson Mabon, the latest Labour MP to defect to the Social Democrats. Mr Kitson pointed out that he had done so after casting his vote in the deputy leadership election. "I always called him 'Tricky Dickie' and I was right."

When it came to the traditional singing of the Red Flag Mr Tony Benn left his seat on the front row of the platform and went to the back, where he put his arms around the shoulders of Mr Norman Atkinson and Mr Bernard Dix, two Left-wingers who had been ousted from the National Executive earlier in the week. Presumably this was to show his continued commitment to the struggle by the Left.

Curbs on police powers demanded by delegates

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

CONFERENCE overwhelmingly approved a call for disbanding the Police Special Patrol Group and the illegal immigration unit and urged that the Special Branch be brought under parliamentary control.

Speaking on behalf of the national executive, Mr Eric Heffer, MP for Liverpool Walton said that before the end of the year the executive intended to present a new statement to the party on the role and accountability of the police.

He denied that Labour was anti-police. What was wanted was a flexible and sensitive policing strategy based on the needs of the local community.

Although the police had to be properly protected they did not have to have plastic bullets, CS gas or the Special Patrol Group.

The resolution, moved by Streatham, South London, and Manchester Moss Side constituency parties, which both experienced rioting this summer, called on the next Labour Government to introduce "effective democratic control" of the police.

This would be done by establishing new police authorities throughout Britain with wide ranging powers, including the "approval of all police policies," the appointment of senior officers, disciplinary power and development of police community relations.

The resolution also called for the right of police officers to join a trade union and engage in normal trade union practices —a proposal which many speakers interpreted as meaning a union affiliated to the TUC.

A retired police officer Mr John Scott of Lancaster claimed that the great majority of police officers were racially and politically prejudiced.

People should dismiss the idea that the police force was made up with Dixons of Dock Green.

In an apparent reference to reports of Freemasonry in the police, he said that policemen should not be allowed to belong to "secret brotherhoods."

Mr Alex Lyons, MP for York, said: "Let it be said here and now, loud and clear, that this party is not anti-police. What we are seeking to do is to try to resurrect the confidence of the public in the police."

Conference also approved, on a show of hands, a resolution calling for more money to be spent on inner-city areas.

Left wing sidesteps defeat over MPs

By Ivor Owen

A PROCEDURAL ploy enabled left wingers to prevent the expected defeat of a motion designed to shackle Labour MPs to the party line.

A card vote on a proposal from Mr Tony Benn's Bristol South-East constituency to bind MPs to manifesto commitments and conference decisions was not proceeded with after protests by the sponsors.

As a result, the rule which prevents defeated resolutions aimed at changing the party's constitution from being revived for a period of three years was bypassed.

It will now be possible for the proposal, which would also have required parliamentary candidates to sign a declaration that they would abide by and seek to implement party policies, to be reintroduced next year if the left decides to return to the offensive.

● The conference voted in favour of repealing the Official Secrets Act and giving people an automatic right of access to all information about them held by government or private organisations.

Delegates were told the opening of Whitehall files—particularly those in the security departments—was vital if Labour was to carry through its policies after taking power.

● A resolution condemning the secrecy of the prison system was given approval. It also called for legislation to reduce maximum sentences and increased spending to end the "squalid conditions in local prisons."

● A move to stop the building of more nuclear power stations was rejected by 5,170,000 votes to 1,758,000.

Tory union law 'will be repealed'

BY IVOR OWEN

PRIORITY WILL be given by the next Labour government to repealing the industrial relations legislation enacted by the present Parliament, conference was assured yesterday.

Delegates were warned by *Mr John Golding, MP for Newcastle-under-Lyme* and spokesman for the NEC, that a further "repressive" anti-union measure is likely to feature in the Government's programme for the new session opening in November 4.

To cheers, he promised: "The next Labour Government will advance the rights of working people by immediately repealing the Tory industrial relations legislation."

Mr Golding complained that some Labour supporters were among those taken in by the campaign, backed by the CBI and other employers' organisations, seeking to persuade people that the trade unions were too powerful. He believed they were too weak.

Mr Golding declared: "They must have the right to make closed shop agreements, the right to strike, which includes the right to peaceful picketing on all occasions."

He said the next Labour Government would need not only to restore the Employment Protection Act but to extend it.

Leading the demand for the repeal of the Conservative industrial relations legislation, Mr Ken Cameron of the Fire Brigades Union, accused the Government of using the dole queues to discipline workers.

He condemned the restrictions imposed on picketing and of interference with the fundamental principles of trade union solidarity which had enabled the labour movement to win its great victories.

He refused to accept that firemen and other workers in emergency services should give up the right to strike. The way to avoid industrial disputes in such areas was to provide those involved with adequate wages and working conditions.

Elinor Goodman assesses the outcome of this week's battles

Weakened Left still controls policy

LABOUR delegates left Brighton yesterday with the Left weakened but still very much in control of policy.

Mr Benn and his supporters may have lost their immediate bid for power but in terms of policy, Labour has, during six days of debate, largely reaffirmed the goals of the broad Left.

Only on a minority of issues —notably Northern Ireland— has the conference broken new ground.

The Labour Party has theoretically regarded unification as its long-term goal, but it has hardly been the guiding principle behind the policies of Labour governments.

The policy statement, prepared over the last two years and approved this week, brings that commitment to the fore. Nevertheless, it is still surrounded by enough provisos to make it practically meaningless. It talks, for example, about the need to get the consent of the working people in Ulster.

Delegates refused to support a resolution calling on the next Labour government to set a timetable for withdrawal but, even so, the policy statement represents a significant advance in Labour Party thinking.

In most debates, however, the conference has merely reaffirmed and amplified existing commitments.

On education, for example, it approved a statement restating Labour's commitment to abolish public schools.

Similarly, on defence, it resoundingly re-affirmed Labour's commitment to unilateral disarmament. Although the vote was short of the two-thirds majority necessary to ensure it a place on the party programme, support for it was so strong it would be very difficult for Mr Healey, and other multi-lateralists to reverse it before the next election.

On other questions, too, the conference effectively closed the escape-hatches for the Right. Delegates rejected by a magin of more then five to one a resolution calling for a referendum before withdrawal from the Common Market.

This week's commitment to withdrawal is much more precise than the anti-Market resolutions of the early 1970s and would be much harder to wriggle out of than those which Sir Harold Wilson managed to extricate himself from in the 1974-75 renegotiation.

In other areas, most notably economic policy, the position of conference remains ambiguous. There was general agreement on the need for an alternative economic strategy, involving "massive" public spending, import controls and government intervention in industry.

The fundamental problem of how to deal with inflation, however, remains unsolved. In one resolution, the conference rejected any form of incomes policy, although Mr Shore, the economic spokesman, is clearly in favour of one.

Instead, all sides took refuge in vague references to an "annual economic assessment" involving the unions.

On defence, the key question of how to reconcile unilateralism with membership of Nato was left unsettled—although to the enormous relief of Mr Healey calls for withdrawal were overwhelmingly rejected.

The moderates did make one major gain—on the key question of public ownership. In the process of rejecting a motion which the national executive argued was ill-thought-out, the conference threw out for the time being the idea of nationalisation without compensation.

The vote was indicative of the concern among some big trade unions about the implications such a policy would have on the future of their members' pensions.

The Left, however, did make some unexpected gains. For example, tucked away in a longer motion on housing the conference approved the idea of central government giving interest-free loans to local councils for building rented accommodation.

Mr Ted Knight, the Lambeth Council leader, also managed, against the advice of Mr Gerald Kaufman, the shadow environment secretary, to win support for a resolution which could, if interpreted one way, mean Labour councils committing themselves to bankruptcy.

It said councils should, if necessary, refuse to make the cuts needed to balance the books.

Now the Labour Party staff will get down to the job of distilling the decisions into two documents — a party programme and a campaign document.

The programme will set out at great lengths all the things the party believes a Labour government should do in the long term and from which the manifesto will be selectively drawn.

The campaign document, which will have to be agreed between the NEC and the shadow cabinet, is the nearest thing the Left has got "to a rolling manifesto."

The staff has also the awsesome job of costing the proposals. Even in the Labour Party, however, where the annual conference is supposed to be the sovereign policy-making body, some of the resolutions passed this week will get mangled before the next election or lost in the process of producing policy statements.

The Right may well exploit the Left's losses on the NEC by watering down some of the Left's policies — some shadow ministers would certainly like to remove what they see as basic illogicalities in some policy statements — but on policy issues, the Left still has a majority on the NEC, and would endorse the main thrust of policy.

This still leaves the basic problem that there is a fundamental conflict between the shadow cabinet and the party outside Westminster on some of the most important issues.

As Mr Tony Benn is taking every possible opportunity to point out, there is still basic disagreement between the NEC and the front-bench spokesmen on defence and foreign affairs. Mr Foot's task now is to reduce that conflict and build a bridge between the two wings.

Shell offers 6% at refineries

BY NICK GARNETT, LABOUR STAFF

TALKS IN the oil industry pay round have opened with a 6 per cent offer from Shell refineries.

The offer, rejected by the Transport and General Workers' Union, which represents process workers, indicates that settlements in some industries will not be in low single figures.

But Shell's pay proposals are less than half last year's deal of about 14 per cent for its 3,400 refinery workers.

The company, hit by a downturn in demand for refinery products which has been cutting jobs, particularly at Shell however, told union officials that the offer was reasonable in the economic conditions.

The transport workers' national negotiating committee said that it was not prepared to put the offer to the union's membership. The company agreed to consider the position and meet again with union representatives.

The union's claim for refinery workers, who have an October 1 settlement date, says it is seeking improvements in living standards and that a rise of 13.2 per cent would be needed simply to maintain existing standards.

The offer, which involves a 6 per cent rise on base rates and shift allowances, applies to workers at four refineries —Ardrossan, Strathclyde, Shellhaven, Teesport Cleveland and Stanlow, Merseyside —and the Carrington chemicals complex, Manchester.

The five locations have differing grade structures. At Shellhaven, the yearly salary for a middle grade main stream operator would rise under the offer from the present £6,573 a year to £6,968. The shift allowance would rise from £1,680 to £1,781.

Another council may seek private groups to take on services

BY JOHN LLOYD, LABOUR CORRESPONDENT

ANOTHER local authority announced yesterday that it was likely to put some of its services out to the private sector.

The move—by the London Borough of Sutton—comes as legal action is pending between Wandsworth council and the local branch of the National and Local Government Officers Association, which has threaten national blacking of any company bidding for a stret cleaning contract which the borough has put out to tender.

Sutton council said yesterday that it was likely to give the contract for its highways verge-cutting service to a private company, Constables Landscaping. The decision is to be taken by its management committee on October 13.

The effect would be to make 16 workers in the 500-strong direct labour force redundant. Mr Peter Roff, the branch chairman of the National Union of Public Employees, said yesterday that the council had not adequately considered plans being drawn up by the workforce for doing the work at a lower cost.

Sutton council, which is Conservative-controlled and has a new leadership, is reviewing its services to see where others could be more cheaply handled by the private sector.

Mr David Trafford, the council leader, said: "Faced with the need to trim back our budget even further, we have little option but to look at every service as pragmatically as possible."

● Mr John Kotz, the leader of Labour-controlled Hackney council, yesterday appealed to Mr Geoffrey Drain, the general secretary of Nalgo, to intervene in a strike by 200 social workers which has left a number of children's homes unattended.

Staff walked out of nine homes on Thursday night, leaving only four covered by emergency staff. The immediate cause of the dispute is a protest over the sacking of two drivers for alleged fraud. However, there have been similar walkouts by the staff in homes over other incidents in the past year.

Mr Kotz said: "The agreed procedure for dealing with disputes has been ignored and we want an early meeting with Mr Drain to get a speedy return to work."

Nalgo said last night that it was unlikely that Mr Drain — who is out of the country — would intervene, and that the dispute would continue to be handled locally.

● The strike of 400 typists at Liverpool City Council is to be stepped up from Monday, following a meeting on Thursday of Naglo's emergency committee. Rent and other financial staff wil join the 14-week strike, which is over a claim for regrading.

The emergency committee has increased strike pay to 55 per cent of gross pay — the equivalent of take-home. The council has said it must make drastic cuts in its budget, and has refused to increase its present offer.

Basnett warns over TUC split

By John Lloyd, Labour Correspondent

MR DAVID BASNETT, general secretary of the country's third largest union, the General and Municipal Workers' Union, has criticised the polarisation of political views within the TUC, partly as a result of the disunity within the Labour Party.

Mr Basnett, whose union is also the party's third largest affiliate with 650,000 votes, says in the GMW Journal that the TUC Congress in Blackpool last month had some "very unhealthy and unhelpful undercurrents."

"The internal politics of the Labour Party—to a degree that has never been the case in the mosphere and ability to get business done on a trade union basis."

There was a danger of a widening ideological division within the TUC's general council, and he implied that the practice of "cross voting" — where issues are voted on their merits rather than on politial lines — may he ending.

"The worst possible thing for this movement would be if a split on the political front were reflected by a clear split in ideological terms within the trade union movement itself."

Mr Basnett's strictures are in direct opposition to the arguments advanced in the past week by Mr Tony Benn, who has called for the "politicisation of the unions."

BA faces tough opposition over redundancies

BRITISH AIRWAYS was warned yesterday by its trade unions that they would oppose "by all possible means" the use of compulsory redundancies as part of the airline's rescue package.

A statement from the trade union side of the National Joint Council for Civil Air Transport said the unions were particularly concerned at the decision of the airline to sub-contract some of its activities, including part of its catering.

"This is a total reversal of past policy and practice and it is the intention of the trade unions vigorously to pursue a policy of regaining this work at the earliest opportunity," the statement said:

The unions were prepared to support policies aimed at making the airline profitable, including reducing staff by voluntary means.

The airline told unions earlier this week that about 7,500 staff had requested forms for voluntary severance. The airline is looking for a reduction of 9,000 in its workforce.

BL workers face lay-offs over Cowley plant dispute

BY LORNE BARLING

SEVERAL THOUSAND workers involved in the production of BL's Triumph Acclaim—due to be launched on Wednesday—may soon be laid off as a result of a dispute over lay-off pay at the Cowley plant, Oxford, where the car is made.

Production of the Acclaim and the Princess has been halted. Output of Itals was also stopped yesterday and about 300 workers laid off at Longbridge.

The troubles at Cowley began earlier this week when 3,000 body workers at Pressed Steel Fisher staged a one-day strike and 650 production workers were laid off.

The 650 men later claimed lay-off pay, which was refused by Mr Harold Musgrove, managing director of BL Cars' light-medium operations, saying an agreement ruling out such payments was reached in April 1980.

Because of this, the men have been on strike since Wednesday, halting Acclaim and Princess production.

Although BL will be embarrassed if the Acclaim production stoppage continues until next Wednesday, 7,500 of the cars have already been produced, 1,000 more than the launch date target. This will be sufficient to meet demand for some weeks.

Unless the dispute is settled early next week, 5,000 body plant workers and 4,000 assembly men could be laid off within a short time. BL said no further talks on the stoppage were planned.

THE WEEK IN THE MARKETS

A week of spills and thrills

LONDON

ONLOOKER

SHARES rode a roller-coaster at the beginning of the week. Stock Exchange dealing on Monday brought a 6.2 per cent slump in the FT Industrial Ordinary Index which closed at 457.5. The fall on what, in London at least, may be described as Black Monday, meant that the index had lost 95.9 points since interest rates were hoisted a couple of percentage points on September 14.

This was the mood which was supposed to envelop Wall Street. The tipsters had predicted a whopping slide on the Dow Jones Index that day, but somehow it didn't happen. New York wobbled but finally proved resilient.

Yet the story of what did and what did not happen on Wall Street had a profound impact on markets in other financial centres. The U.S. market's stubborn refusal to work itself into a panic quickly transmitted confidence around the world.

Tuesday saw London equities bounce back; the FT index soared 23.7 points to 481.2 as institutional investors came in with substantial buying orders. Private investors had earlier scurried out at or near the bottom, and the professionals returned to pick up shares.

This recovery was matched in all the leading bourses around the world and proved just how much of an electronic village—linked by TV screen, ticker tape and telephone—markets globally have become. And the U.S. is playing all the important shots.

This reliance on Wall Street, and by extension, the White House, still leaves the London Stock Exchange nervously watching U.S. interest rates and the American authorities' attempts to cover a massive budget deficit.

Base rates in London have risen yet another two points to 16 per cent. Dealers managed to take this extra pressure on money rates in their stride and the Index was merely drifting towards the close.

So everything ends up square. But Monday's big dip and the upheavals of the trading sessions which immediately preceded it has left some indelible marks. The rights issue queue is now thought to contain rather more voids than had been there in the summer. The £87m cash call by Trusthouse Forte was less than three quarters subscribed. The £10.8m issue by Morgan Crucible met an even less fortunate fate. Its underwriters were obliged to take up all but 14.5 per cent of the new shares. Yet the sponsors of forthcoming Cable and Wireless and Astley and Pearce flotations can take some heart from the calm stock market debut made by Habitat. The £12m offer for sale by tender obtained an average price of 118p although the underwriters lated decided to pitch the striking price at 110p.

"We would rather see a lot of pleased people rather than take the last 5p from them," one of the merchant bankers handling the float was reported as saying.

Dunlop disposal

Dunlop shares stood out like a beacon of stability during the recent stock market blizzard as the story, later confirmed, got round that it was selling off its plantation interests in Malaysia.

The deal will have two important benefits for the type group although it may prove something of a mixed blessing for short term, speculative holders of its shares. It removes a large slice of Dunlop's borrowings and the disposal has been arranged in such a way as to diminish the chances of a bid from the Far East.

Dunlop's 51 per cent holding in about 55,000 acres of rubber, palm oil and cocoa plantations is to be sold for some £61m to Multi-Purpose Holdings, a fast expanding local company controlled by Malaysian Chinese.

Muti-Purpose will transfer this holding to a new joint company which is to be owned equally by Mr Ghafa Baba, a prominent Malaysian politician and business man. He has a major stake in Pegi, the investment group, which has a 17 per cent interest in Dunlop.

It was this stake which has whipped up so much bid speculation—but Dunlop now believes that the pledge given by Pegi and Multi-Purpose that the holding will not be increased effectively sterilises the stake. But there is still an estimated 13 per cent of Dunlop's equity in Far Eastern hands which the company, and the Department of Trade inspectors, have been unable to identify.

The disposal will help to ease the strain on Dunlop's balance sheet. Together with the £20m proceeds to come from the dissolution of the Pirelli union and some seasonal decline in borrowing levels, gearing could be cut from the current level of 80 per cent to about 60 per cent by the year end. Dunlop is swapping annual earnings of £2m at the attributable level for cash which will cut European tyre losses by perhaps £5m a year.

The group is still suffering from excess tyre capacity in Europe—it may lose about £20m in this area in 1981—and its retrenchment took a further stage last week when it announced the closure of its cross-ply plant near Glasgow with the loss of 500 jobs.

Hanson's charger

Hanson Trust's contested bid for Berec, the Ever Ready battery group, is nearing its climax with both sides posting their main arguments to shareholders this week. Hanson concentrates on Berec's poor financial record in recent years, and highlights the company's failure to lead the way in new battery technology. Berec says that its profits have been held down by exceptional research and development expenses in recent years, and that Hanson is trying to reap the benefits of this heavy investment in an opportunist way.

In financial terms, the bid is not over generous — even though the fall in the stock market has, on a short term view, made the numbers look better for Hanson. The cash offer values the whole of Berec at £70m, which compares with annual sales of £241m in 1980-81, and a profits forecast of £14m pre-tax in the year to next February. Berec's net tangible assets are £128m, and the defence claims that Hanson could recoup nearly the whole of its £70m outlay just by selling off Berec's business in South Africa and its Crabtree Electrical subsidiary.

On the other hand, there are uncertainties about Berec's ability to recover its position in an increasingly competitive environment. Its performance in the last few years has not been inspiring.

By accepting Hanson's shares, Berec shareholders would be taking a stake in a much more widely based business with a good track record. On balance, the best advice may be to wait until the last moment to see if something better turns up—and if it doesn't, to accept the bid.

Vickers' smoother run

It was Vickers' name which was finally retained following the merger with Rolls-Royce Motors in August 1980 but this year's profit performance will rest very heavily on motor cars.

At the half year, Vickers made £9.5m before tax which compares with the reported figure of £12.6m for the first six months of 1980. But that contained several exceptional factors. Allowing for £8.2m of back-dated interest for nationalisation compensation and £1.3m of premerger profits from Rolls-Royce, the true comparison is £5.7m.

Group turnover was over £288m at the interim stage so the profits are nothing to shout about. The outlook is for annual profits of some £25m before tax which, again, would not be much of a return on funds employed in excess of £300m.

The group says that most of Vickers' orginal businesses still face slack demand and tight margins. It is picking up a better volume of defence contracts for tanks and diesel engines although the benefit will not start coming through until next year.

The launch of the new Rolls-Royce Silver Spirit in Europe last year and in the U.S. last March has gone well and it may be that North American sales volume will exceed that of the domestic market for the first time. Vehicle margins are strong and sterling's weakness is helping. Every five cent fall in the pound's value against the dollar increases Rolls-Royce's profits by some £900,000 and the board's forecast of higher maintained parities between now ad the end of the year in the main export markets.

The outstanding claims over the cancellation of the Iranian tank diesel engine order in 1979 are still under negotiation with the Ministry of Defence but they should be over the year end. Vickers has just released provisions amounting to £2.1m and the next balance sheet is expected to show the payments received and the accounting procedures adopted.

Dalgety delivers

Dalgety is beginning to deliver the growth it promised two years ago at the time of the hotly contested acquisition of Spillers. Profits in the year to end-June, which take in Spillers for a full 12 months for the first time, have climbed by 23 per cent to £41.2m and the group expects to make further advances in the current year.

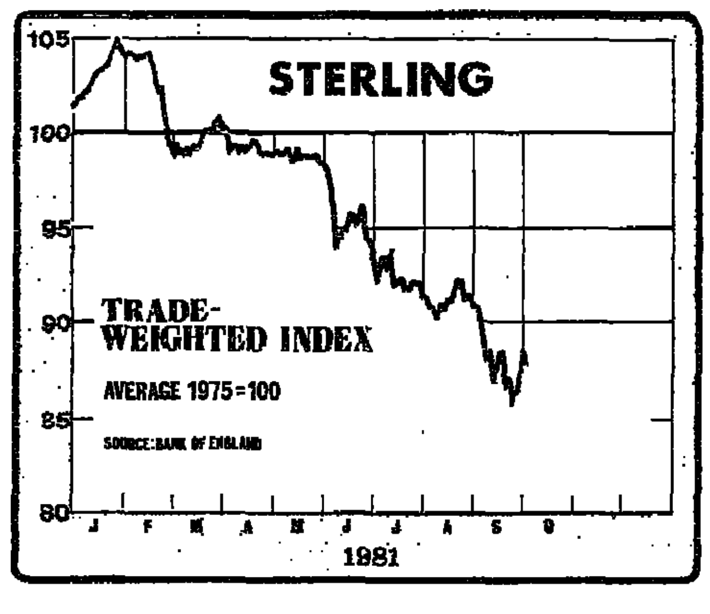
Spillers was a major influence on the £7.6m rise to £38.7m in UK profits before tax and interest since it was included for an additional four months. Its milling and grocery interests have progressed well although the contribution from malting probably halved from the previous level of £7.5m.

There were encouraging gains in Canada and the U.S., where Dalgety is beginning to get to grips with its troublesome frozen foods business and has turned Spiller's Modern Maid subsidiary round to a useful level of profits.

Australian profits, affected by drought, were down some 15 per cent in local currency terms but convert to a marginal improvement when expressed in sterling.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	474.3	+1.6	597.3	446.0	Steadier after recent slide
F.T. Gov.t Secs. Index	60.60	−0.51	70.61	60.45	Interest rate pressures
F.T. Gold Mines Index	378.5	−19.8	429.0	262.6	Gold price unsettles market
A.B. Electronic	96	−12	148	92	Final div. cut, £0.4m loss
Barratt Developments	217xd	−9	265	130½	Higher mortgage rates pending
Bell (Arthur)	130	+16	146	101	Pleasing annual results
Bougainville	80	−13	112	70	Mine closure/local unrest
BP	278	+24	415	246	Rally after recent fall
Christies Int.	158	+18	240	124	Buyer's premium dispute settled
Dunlop	57	−10	87	57	Takeover hopes recede
Fitch Lovell	73	+16	80	57	Bid speculation
Hallite	185	+52	200	107	Mkt. raid by Gen. Tire & Rub. S.A.
Hitlons	110	+28	110	64	Approach from Ward White
Hoover A	85	−13	163	85	Still lacking support
Idris Tin	160	+20	160	110	Bid speculation
Polymark	73xd	+9	160	60	Speculative bid hopes
STC	425	+40	545	365	£170m Aust./Canada cable order
Tern-Consulate	66	+12	66	46	Speculative demand
Warren Plantations	220	+53	252	167	Bid from McLeod Russel
Whatman Reeve Angel	191	+31	195	70	Better-than-expected int. figs.



Caution continues

NEW YORK

PAUL BETTS

WALL STREET recovered this week from the panic which sent the market in a free fall at the end of last month. But like a patient struck down by a sudden and vicious stroke, the market is in for a long period of convalescence.

The blue chip indicator continued its week-long recovery yesterday morning which started on Monday with the Dow Jones Industrial Average advancing by more than 18 points for its biggest gain in one day during the past six months. In subsequent sessions, the recovery moderated reflecting in large measure the continuing caution investors, both large and small, are adopting towards stocks.

The atmosphere on Wall Street has definitely improved. It has in part been helped by President Reagan's Press conference on Thursday in which his economic programme was allowed. It has been buoyed by remarks by Mr Paul Volcker, chairman of the Federal Reserve, who claimed the Central Bank was now getting to grips with inflation. And although the outlook on corporate profitability and the country's general economic performance remains uncertain and glum, the market appears to think that the pessimism has perhaps been overdone.

This is not to say that Wall Street has suddenly shaken off its economic blues. It remains deeply distrustful of the Administration's pledges to reduce the Federal deficit. The credibility gap is still as wide as ever. But somewhere along the line some of the market's earlier nervousness has abated.

More specifically, the market's recovery can be put down to buying by bargain-hunters, an improvement this week in the bond market, and the general perception that interest rates could finally start dropping, supply front has been better.

But even bargain-hunters are adopting a cautious approach. After the slump at the end of last month and the recovery this week, there are conflicting views on Wall Street about whether the selling climax of recent weeks has now ended. The market is still too fragile and, according to Wall Street bears, it could well dip down again.

The performance of the top 30 blue-chip stocks in the latest quarter has done little to generate the sort of euphoria a strong lasting rally needs. In the third quarter only one of the top 30 companies on the big board saw its market value increase. Not surprisingly, it was American Telephone and Telegraph, the country's favourite widow and orphan stock which in hard times has always been seen as safe a refuge as any from the turbulences of the financial and economic world. In the third quarter, AT and T's market value rose by more than $1bn to $46.3bn.

But AT and T was very much the lone ranger of the market. In seven months, IBM lost 20 per cent. Exxon dropped 22.3 per cent. Standard Indiana dropped 34.6 per cent. Schlumberger was off 34.6 per cent, and Standard Oil of California, which did improve 2 per cent in the third quarter, was off 23 per cent over the seven months period.

In terms of industrial sectors, fertilisers were the big losers dropping 46 per cent since the beginning of the year. Oil, gas and offshore drilling companies were also heavy losers. But three sectors—trucking, copper and shoe stocks—did shown a average gain of about 20 per cent since the beginning of the year.

Although the general prospects of the economy and interest rates continued once again to overshadow the market, a number of stocks held the spot light in the market this week. Among them was Grumman, the military aircraft manufacturer, which filed suit this week to block a $450m bid by LTV, the Texas conglomerate, for 70 per cent of Grumman's stock.

Standard Oil of Indiana was also active this week. The large oil company said its natural gas and condensate discovery in the United Arab Emirate of Sharjah could be one of the biggest in the company's history. As for Occidental Petroleum, it secured a new agreement with Libya which the company said would lead to a profit in the fourth quarter in Occidental's substantial Libyan operations.

Monday	842.56	+18.55
Tuesday	847.89	+ 5.33
Wednesday	849.98	+ 2.07
Thursday	852.26	+ 2.22

A question of now, or later

MINING

KENNETH MARSTON

WHICH WOULD you prefer to go for: good capital appreciation or a modest return on your money with security of capital? Well, the answer to this one depends on economic circumstances at the time of asking, but for most of us the prospect of capital gain has carried the greater appeal — until just recently, that is.

Leading ordinary shares, which justified their high prices and low dividend yields by hopes of capital gain when the world recession ends, have gone out of fashion.

Suddenly, the end of the recession seems a lot longer away than before and in the meantime soaring interest rates have provided a more attractive alternative for investment money. So with inflation at a relatively modest level, money has gone back to the bank.

It is understandable enough. However, holders of good-class mining shares should remember that given a break in the economic clouds, prices of such issues are quite capable of rising in only a couple of days by an amount equivalent to a full year's interest from money on deposit.

You can never really get the best of both worlds, of course, but in these uncertain days it is more a question of trying to safeguard what you have than to try to increase it. The answer thus seems to be to hold on to good-class mining issues—which were bought for the long term anyway—but to leave any further accumulated funds on deposit for the time being.

To some extent this is what London's Consolidated Gold Fields has been doing. In the year to last June the mining and industrial group boosted its earnings by 35 per cent to a record £192m, largely as a result of an increase of £25m to £76m in profits from the South African gold mining interests.

In addition, however, the group lifted its profits on financial transactions by £43m to £57m; some £11m of this came from the gain on the investment of the proceeds of the November £181m rights issue into dollars when sterling was riding high.

A further £23m was made on the sale of the 10 per cent stake in Australia's North Broken Hill which, incidentally, announced a one-third fall in profits this week.

The rights issue, it will be recalled, was made to provide funds for the acquisition of further investments including a stake of something under 50 per cent of the U.S. Newmont Mining natural resource group. So far, Gold Fields has spent $125m on sharemarket purchases totalling 8.1 per cent of Newmont.

To go further Gold Fields needs approval of America's Federal Trade Commission and has sent a formidable truckload —about half a ton—of required statutory information to the FTC.

The outcome of this is awaited, but hopes that the U.S. authorities will look favourably on Gold Fields' move into Newmont must be tempered by the political undertone stemming from the fact that the South African Anglo American-De Beers group holds just on 30 per cent of the London company.

In London this week the Gold Fields chairman, Lord Erroll, took a cautious view of prospects for the current year to next June. He conceded that the group cannot count upon a repetition of last year's financial wizardry.

The group's chief executive, Mr Rudolph Agnew, pointed out that much will depend on the performance of the UK Amey Roadstone construction group and, of course, of the gold price which is well below the average received in 1980-81.

The group's gold production will be higher in the current period, partly because of increases in the merged operations of the great East and West Driefontein mines and the North Driefontein area into the new Driefontein supermine. The young Deelkraal should do better now that its technical problems are being overcome.

Another reason is that with the lower gold prices those mines that are in a position to do so will be going back to working more of the better grade ore. This, coupled with reduced tax under South Africa's sliding scale system and an exchange advantage arising from the fact that the gold is sold for U.S. dollars, should cushion falls in gold mine profits.

The first of the South African gold mining profits for the September quarter are due to be published at about the middle of this month and they will be based on an average gold price of around $420 per ounce compared with $494 in the previous three months and $511 in the first quarter of the year.

Yields on gold shares have to be seen in the light of reduced dividends, but they are still quite good at somewhere approaching outside interest rates.

And if you believe that the dividend rate of the giant De Beers, which was covered 2.5 times by earnings last year, is still as impregnable as ever despite the troubles of the diamond world, the shares yielding just over 12 per cent are beginning to look interesting again.

Of course, De Beers is heading for lower profits this year and the group has a great deal of money tied up in its stockpile of unsold diamonds. But its financial strength is still impressive.

The chairman, Mr Harry Oppenheimer, said a fortnight ago: "I think we will come through and you will find that with the stocks we have accumulated . . . we will make a great deal of money out of it." A more exciting prospect, perhaps, than money on deposit.

Still in the "exotic" commodity class, we come to another good dividend yield. This is the return of over 15 per cent shown on the shares of South Africa's Impala Platinum and based on the dividend of 110 cents (64p) which was covered twice by record earnings in the year to last June.

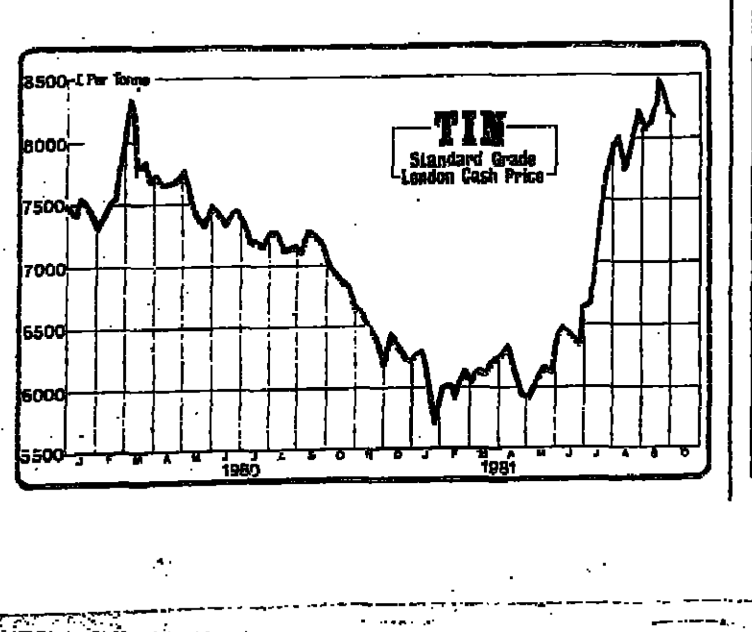
This week the chairman, Mr E. Pavitt, has said in the annual report that results for the current year will be similar to those for 1980-81, provided that there is an improvement in demand for platinum.

Such an improvement has yet to be seen with the free market price of the metal well below that charged by leading producers such as Impala, but while I would not advise new buyers to move in at the moment, those who acquired the shares earlier this year at much below the current price would find it difficult to replace their current return on capital.

TIN OUTPUTS COMPARED

	1981 August tonnes	1981 July tonnes	Total (months) to date tonnes		Same period year previous tonnes
Amal. of Nigeria (tin)	¶	142	508	(4)	624
Amal. of Nigeria (columbite)	¶	7	39	(4)	83
Aokam	146	124	270	(2)	197
Ayer Hitam	104	88	192	(2)	320
Berjuntai	310	920	1,230	(4)	1,251
CRM Sri Timah	55¾	66¼	456¼	(8)	620¼
Geevor‡	64	126	535	(5)	429
Gold and Base (tin)	20	17	140	(8)	186
Gopeng	167¼	165¾	1,548¼	(11)	1,770¼
Idris	14¾	12	69¼	(8)	137¾
Kamunting	1/..	14	65	(5)	20
Kinta Kellas	17¾	36	179	(5)	139¼
Kuala Kampar	11	11	62	(5)	113
Malayan	669	682	1,351	(2)	513
Pahang	¶	88	1,229	(12)	1,341
Pengkalen	3½	6	34¼	(11)	146¼
Petaling	85¼	77¼	764	(10)	1,395½
Rahman	121½	130½	252	(2)	206¼
St Piran—Far East	21	16	76	(5)	80
St Piran—UK (South Crofty)	77	174	726	(5)	790
St Piran—Thailand	70	73	333	(3)	334
Sungei Besi	83	80	398	(5)	571
Tanjong	10¼	18	120¾	(8)	193¾
Tongkah Harbour	31	28	59	(2)	67
Tronoh	66	52	417	(8)	1,067

‡ Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.



YOUR SAVINGS AND INVESTMENTS—1

Tax before income

I have received an income tax demand in respect of untaxed interest, and income from property for the year ending April 5 1982, payable without further request. Can you please inform me why I should have to pay this immediately, when I shall not receive most of it until later on in the tax year, and some of it I may not receive at all? I am in receipt of state retirement pension so I am in fact paying the tax on this and the increase due in November as well.

As we have explained in our columns once or twice before, there is nothing in the Income Tax Acts which authorises a taxpayer to delay paying income tax until he actually receives the income to which the tax relates.

However, you do not have to pay the 1981-82 schedule A and D tax immediately: if you read the assessment notice again, you will see that the tax is not due for payment until New Year's Day. Tax colectors' offices are always shut on New Year's Day, of course, and in 1982 they will not open until January 4.

It is a pity that you did not give us precise facts and figures, because it is not possible for us to say whether you have grounds for appeal. Your remark that you may not receive some of your 1981-82 income suggests that the schedule D case III assessment, at least, may be eligible for appeal. As you will see from the assessment notice, any appeal should be submitted within 30 days of the date of assessment, so you must act quickly if need be. (We cannot undertake to reply to any supplementary letter before the expiry of the 30-day time limit for appealing, unfortunately.)

Common and joint tenancy

I read with interest your reply of August 8 under the heading Common and joint tenancy. I wish to give some real property to my five (adult) children and I want it to remain solely within the family, eventually passing to the survivor. I propose to write to my solicitor, saying "I wish to record that the ownership of the land is to be registered in the following manner" (then the children's names) "This land is to be divided equally amongst the above named and passed eventually to the survivor. However the land is not held in fifth aliquots." Do you think this would do?

We think that you will need to elaborate slightly. You should nominate two or three individuals to hold the legal estate on trust for the five beneficiaries; and also direct that the beneficial interest is to be a joint tenancy, not a tenancy in common. However any beneficiary can sever his interest in equity and turn it into a tenancy in common.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Guaranteed Growth Bonds

In a recent question to you a writer indicated that when a Guaranteed Growth Bond accrued over several years, he was charged on the whole of the gain in that particular tax year, and was not allowed top slicing which is my present understanding of the current law.

Could you clarify this position please, as I have a number of Guaranteed Growth Bonds which will shortly reach maturity?

Top slicing remains available in principle: in practice, however, one's tax bill after top-slicing relief can often turn out to be the same as it would have been anyway. Everything depends upon the precise combination of facts and figures, and unfortunately you have not given us enough details of your own particular situation for a really helpful reply. The rules are to be found in section 400 of the Income and Corporation Taxes Act 1970 (as amended by the Finance Act 1971).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Gift to a son

My father is proposing to give one of his sons a cottage at present vacant. The cottage has been let in recent years, but as a marriage is intended a year from now, the cottage is to be the new home. A solicitor has informed my father that a liability will occur if not to capital transfer tax then capital gains tax. There is a large amount of rebuilding work required, costing some thousands of £'s, and therefore a building society has been approached, but, obviously, a realistic valuation has to be placed on the property. Cannot this gift be made without payment of these taxes?

Your father should go back to the solicitor for guidance on (a) obtaining the benefit of the CTT relief for gifts in consideration of marriage and (b) obtaining relief from CGT by means of a joint election with the son in question, under section 79 of the Finance Act 1980. The timing of the rebuilding work needs to be considered; it may be better to give the cottage to the son in its present state, and give him money to spend on it himself, rather than to spend money on the cottage before giving it to the son.

Loan from an employer

My employers will provide a loan for house purchase of £25.000 at 5 per cent and a further £10,000 at 14 per cent. The object is to maximise the allowable interest for tax relief. The interest paid for a full year would be £1,250 + £1,400 = £2,650 and the portion allowable for tax relief would therefore be 25/35. The repayments would be interest only.

1. If part of the loan (charged at 14 per cent) say £5,000 is repaid, would the tax relief be based on the new fraction 25/30 of the interest for the year, or the original fraction of 25/35?

2. If an initial loan of £25,000 at 5 per cent is taken and at a later date a further advance at 14 per cent is made, is the subsequent tax relief purely the interest on the original £25,000 (ie £1,250) or is the interest on the further advance brought into account and the corresponding fraction applied?

3. If that part of the loan charged at 14 per cent is granted one day and that part charged at 5 per cent is granted a few days' later is it possible to claim full tax relief on £10,000 at 14 per cent plus a proportion of 15/25 on £25,000 at 5 per cent? This would obviously increase the amount of tax relief available.

Have you further advice to offer, please?

The rules are to be found in paragraph 5 of schedule 1 to the Finance Act 1974 (as amended). The answers to your first three questions are:

1. 25/30ths of the interest on £30.000;
2. There is no relief on the second loan; the first loan qualifies in full;
3. Yes, in principle (but the bona fides of the arrangement might be questioned).

We take it that you are a higher-paid employee, as defined in section 69 (1) of the Finance Act 1976 (as rewritten and amended). If so, you may have overlooked the prospective schedule E charge, under section 66 of the 1976 Act, to the extent that the non qualifying interest falls short of an average rate of 15 per cent. You will find general guidance in booklet 480 (Notes on expenses payments and benefits for directors and certain employees).

An exemption from CGT

In our reply to a reader under My daughter's house (August 29) we stated that there must be a continuing intention to sell a residence if it was to escape capital gains tax for up to two years after the occupant had left it. This must be corrected for disposals in 1980/81 onwards in that Section 80(2) of the Finance Act 1980 gives exemption for "the last 24 months of the period of ownership in any event." It was the old extra statutory practice which required a continuing intention to sell, but the law which superseded it does not.

Up, up, up and away

INTEREST RATES

TIM DICKSON

SAVERS AND borrowers will this weekend be digesting the latest two point increase in the clearing bank base rates. Unbelievable as it may seem, rates are now a quarter high than they were three weeks ago and back within one point of the record 17 per cent reached at the end of 1979.

The implications for borrowers are painfully clear. Don't if you don't have to and what is more, don't enter into commitments on the assumption that this week's events are necessarily just a temporary setback.

Savers will obviously be much happier and with many private investors at least partly liquid after the stock market traumas the opportunity to take advantage of generous real returns should not be missed. Those people who boost the bank's profits by keeping, say, £2,000 on current account should remember that they are now losing almost £5 a week gross by not transferring the funds to a 7-day deposit account.

The outlook at the moment, of course, is still highly confused with savings institutions still reacting to the first increase 2½ weeks ago. The table should thus be treated with caution.

Building societies rates for instance, are likely to go up by at least 1½ points all round from November 1. This would once again put them back almost on a par with the National Savings Bank Investment Account, which goes up on the same day to 14.5 per cent paid gross. With the 21st issue now looking hopeless to all but high rate taxpayers National Savings are again being overtaken by events.

It is, meanwhile, good to see the banks giving better value for seven day deposits, having narrowed the gap between base rate to 1½ points, compared with 2½ to 3 points on occasions in the recent past.

Most personal bank borrowers will be paying around 19-21 per cent for their overdrafts and around 21 per cent for personal loans.

Mortgages, of course, are the key to most people's financial happiness (or misery). The building societies meet next Friday and the betting now is for a rise to at least 15 per cent (or at least 17½ per cent for larger sums). The effect would be to increase the monthly payments on a £15,000 loan by about £23 gross.

Barclays is moving its rate to 15.5 per cent, National Westminster to 15, Midland's automatically goes to 18. Lloyds (14), the TSB (13) and Williams and Glyn's (13.5) have yet to act.

VARIABLE INTEREST RATES

	Return (%) after tax at Nil	30%	45%	60%
BANKS				
7-Day deposit	14.5*	10.15	7.98	5.8
NatWest Investment Account				
—3 months	14.75	10.33	8.11	5.9
—6 months	15.25	10.68	8.39	6.1
Lloyds Option Deposits				
—2 years	15.0	10.5	8.25	6.0
—5 years	16.0	11.2	8.8	6.4
BUILDING SOCIETIES				
Ordinary share rate	8.5	8.5	6.68	4.86
1-6 months notice	9.5	9.5	7.46	5.43
5-year term	10.5	10.5	8.25	4.0
NATIONAL SAVINGS				
Investment Account	14.5	10.15	7.98	5.8
Index-linked certificate				
MONEY FUNDS				
Simco Call	15.53	10.87	8.54	6.21
Tyndall Demand	15.32	10.72		

FIXED RATES

	Nil	30%	45%	60%
BANKS				
Barclays Investment Accounts				
—1 and 6 months	15.0	10.5	8.25	6.0
—3 months	15.25	10.68	8.39	6.1
NATIONAL SAVINGS				
5-Year Certificates (21st issue)	9.02	9.02	9.02	9.02
GILTS				
Treasury 3% 1986	13.01	11.67	11.01	10.34
Treasury 12% 1987	16.00	13.19	10.93	8.70

*Lloyds 14.0

A stake in the dollar

AN INTERESTING new opportunity opens up this week for anyone wanting to get a market related interest rate in dollars. Saturn Investment Management (SIMCO) has just launched a dollar money fund along the lines of its successful UK call and 7-day money market funds.

The money will be placed with UK clearing banks and each individual deposit will attract the daily rate of interest earned by the fund after a 1 per cent management charge. (The administration costs are higher than on its sterling fnuds and the managers point out that they incur a foreign exchange risk if someone stops a cheque.

This should be a more convenient and attractive home for idle dollar funds than the banks themselves. SIMCO has the benefit of getting the best rates available and dealing will be easier than through a bank branch. The rate yesterday would have been 15.5 per cent but do not forget the foreign exchange risk.

* * *

FINALLY FOR those of a more speculative nature tempted still by equities there is a new Singapore and Malaysia unit trust from Schroder Unit Trust Managers, part of the merchant bank.

Many in the City are confident about this area of South East Asia over the longer term but it has not escaped the recent shake out. Target's similar fund launched in May is bearing the scars but perhaps the timing of this one is a bit better.

Academic overtures

INSURANCE

ERIC SHORT

THE ACADEMIC year for higher education is about to start. Many parents this weekend will be busy transporting their children to a new life on the university campus together with all the belongings they will need to live away from home.

For the first time some students will be taking on the responsibility for looking after themselves and this may well include making their insurance arrangements.

The established insurance companies and insurance intermediaries have kept out of this area, preferring to leave this part of the market to specialist groups.

The main operator in the field has been Endsleigh Insurance, the insurance intermediary formed in 1965 by the National Union of Students. Although Endsleigh was sold to the Dutch insurance group Gouda Insurance in 1976—and this year Friends Provident acquired a one-third equity stake—the group is still tied by covenant to the NUS.

Endsleigh's aim still remains to provide a good insurance service to students and though it is tied to Friends Provident on the life side. It is free to arrange the best possible underwriting terms in the market in general insurance.

Endsleigh has two policies designed to insure students belongings while at university—one for living in a hall of residence and the other for lodgings or shared accommodation. Like most forms of household contents insurance, the underwriters are charging a higher premium for the major cities, because of the higher theft risk.

Endsleigh's policies operate on an indemnity basis, with the claim payments making an allowance for depreciation — in other words the policy pays the value of the goods as they exist. Since most students arrive at university with brand new gear, there is not much difference between indemnity and new-for-old. The insurance covers all main perils, including fire, theft, water-damage and malicious damage.

There are two other operators in the field—Berkeley Alexander and Harrison Beaumont. Berkeley's operate on a "new for old" basis paying out the cost of replacing the items lost or stolen. Harrison's scheme is indemnity only with little flexibility.

These policies cover the basic items only, such as books, clothing and cooking utensils. Special items such as jewellery and cameras need to be covered under a special All Risks policy.

Student insurance needs tend to vary slightly from that of normal household contents insurance. Most students return home during the Christmas and Easter vacations leaving most of their belongings behind. Insurance cover is maintained during vacations provided the property is left in the appropriate college-designated storage. This usually includes leaving the belongings in the rooms.

Bicycles, musical instruments and sports equipment need special coverage under these schemes so the student should check.

Endsleigh maintains a physical presence on campus at all times with special emphasis during the start of the new year. The other two operators rely on promoting their schemes through the university or college offices and the student unions.

Students thus have a choice of plans before them and in deciding which to go for they should not just consider price. They should establish under what circumstances a claim is paid and how much would be paid. The variation in premium is minimal compared with the variation in the amount that would be paid out on a claim.

YOUR SAVINGS AND INVESTMENTS-2

After this week's ups and downs, **Tim Dickson** talks to four private investors

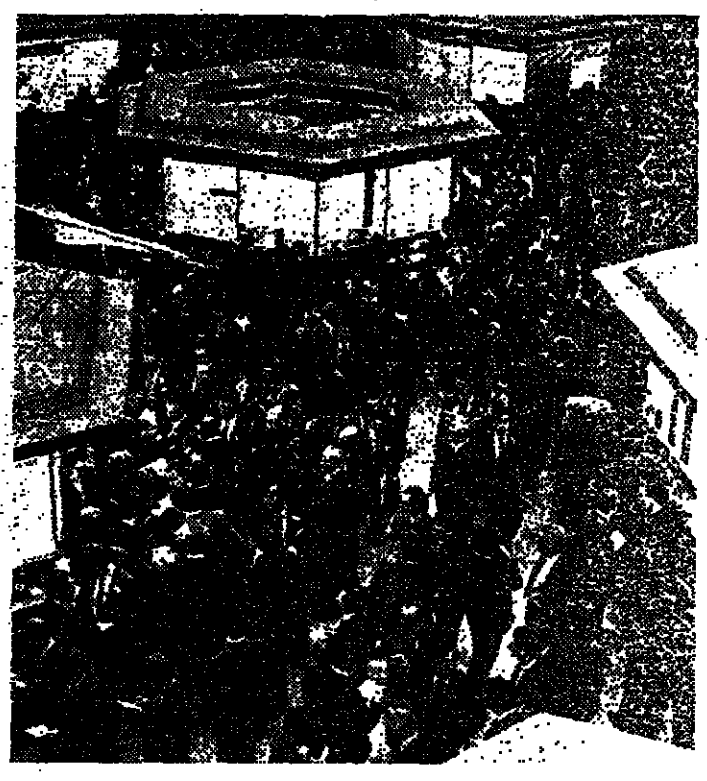
Little man, what now?

Professional fund managers in the City are as bemused as private investors by the sharp setback in worldwide equity prices. But whereas the experts in the City always manage to gloss over their mistakes — most were neutral to bullish until a couple of weeks ago but since then have been busy practising headstands — the poor old private investor invariably gets the blame for bailing out.

With the FT Industrial Ordinary Index almost 30 points down at lunchtime on Monday, stockbrokers were claiming that clients had telephoned them over the weekend with orders to sell everything the moment markets opened for business. Unit trust groups were hit by the same "wave of hysteria." Some said they had been "inundated" by unitholders wanting to cash in their units and almost all groups were forced to adjust their prices to protect themselves and those investors who stayed behind.

The chances are though, that most individuals in the last week or so remained innocently on the touchlines. One or two big firms of stockbrokers pointed out later in the week that only 5 per cent to 10 per cent of their clients actually rang up to express concern, most took their advice (which was usually to sit tight), and only a relatively small minority decided to rush for the exit on their own account.

What people do with their money is seldom something they talk about publicly so the private investors we talked to this week have understandably preferred to remain anonymous. Besides the possibility of tipping off burglars (we cannot guarantee that they do not read this newspaper). Some were worried about what neighbours and friends at the golf club would think and others how their professional associates might react to the free "publicity."



● DOCTOR

WE KICK off with a doctor, born in New Zealand and now living in North London. He has around £50,000 of capital. A unit trust investor "because I think they are the best bet for me," he admits to having been very lucky in the last couple of weeks. "I don't get advice from anybody as I believe in losing my own money."

A few days before the big slides in world share prices, however, he was prescient enough to take profits in three Far East funds (M and G, Allied Hambro and Gartmore) and M and G Recovery. He still has about £10,000 in two Fidelity funds but at the moment not a penny is riding on UK stocks.

As a result of his itinerant past he will only get a small pension from the National Health Service and is thus anxious to protect his capital: "I don't mind losing a bit of profit by staying out of markets for the moment." (£40,000 is now in cash.)

"Nobody knows what is going to happen now especially if people panic. I was not bitten by the 1974 bear market but I was by Poseidon when my stake went to virtually nothing. I believe in not being too greedy and taking profits when they are there."

Asked how he takes investment decisions, he says patients are a good source of ideas (after the operation) but admits to being to being a bit of a gambler. "I used to make a living backing the horses but betting tax stopped that. I reckon there is only one counterpart to the hysteria of wealthy people on a racetrack and that is the behaviour at times of people on the Stock Exchange."

● UNDERWRITER

BY CONTRAST a Lloyds underwriter to whom we spoke was in a state of "absolute equanimity" after seeing £35,000 of his net worth wiped out by the fall in the London market.

He slightly regrets not having sold some stock a little earlier, the proceeds of which he knew would be needed to meet a tax bill and some repairs on the roof.

As a result he sold a little bit of his portfolio (its total value is between £150,000 and £200,000) —on black Monday—there were still profits to be taken on Euroferries and Hillards. Fitch Lovell and Sketchly, which he also held, were "ludicrously low" so "I didn't bother to sell those."

Over the last few months he has been a forced seller of equities because he is transferring money into short dated gilt edged stock for a Lloyd's deposit.

● ACCOUNTANT

UP IN YORKSHIRE a practising chartered accountant reports that he "sold some shares before and some during" the financial upsets of the last couple of weeks. He disposed of about 15 per cent previously and "against the advice of my stockbroker" another 15 per cent on Monday September 21 and another 10 per cent later last week.

"I couldn't understand the broker's bullishness. I am bearish because I don't believe we have nearly reached the end of the recession.

"I read the financial Press quite closely and a couple of newsletters (including Beckman's) and the arguments in favour of a prolonged recession seemed to me stronger than the contrary view."

In the best tradition of his profession he emphasises that he "did not panic" and thought it over carefully after talking to his stockbroker. "The mood I am in at the moment, though, I might sell some more equities on Monday.

"It's very much a question of whether Reagan and Thatcher are capable and determined to see their policies through. If they are, cash is the best financial asset to hold for the moment. I also think property prices could fall—I have connections with a couple of property companies in the area and I haven't seen anything I wanted to buy for about a year now."

● BUYER

FINALLY, a purchasing manager at a Welsh electronics factory (it is not giving away too much to reveal that his name is Evans) reacted to recent events by selling about 15 per cent of his unit trust portfolio. "I went through 1974 and I wanted to be a bit liquid so that if markets went much lower I would have some cash to get in again. I have already bought back some units I sold for a lower price because it was too good an opportunity to miss but the rest will stay out for the moment."

He thinks prices could go lower but because the FT Index is well down in real terms on its levels of eight or so years ago is confident that UK equities will be higher in a year's time. He has, however, "absolutely no faith" in the Government's ability to turn the economy round with their present policies.

A neglected area: how to make bad health less expensive

Pension problems: ERIC SHORT continues his series

A COMPREHENSIVE employee benefit programme should ensure that financial payments are made to an employee or to his dependents should he be unable to work. Pension schemes cope with the dual problems of providing income to the employee and his wife during retirement and payments to his widow and dependents should he die while still working.

The provision of an adequate income because the employee is unable to work due to prolonged illness or disability tends to be neglected.

As we discussed last week income can be provided from the pension scheme by retiring the employee early on health grounds. An ill-health retirement pension, however, has two disadvantages: first, the pension itself is in many cases low and second the employee loses his life cover just when he needs it.

Employers have adopted a lackadaisical attitude to disability benefits primarily because they do not see it as a problem. But the incidence of disability while working is as common as death. Kininmonth, a company specialising in permanent health insurance, quotes official figures which show that the social security system was paying as many invalidity benefits for long term disablement to persons in the 30-65 age group as it was making death grants.

A much more complete solution to the problem of disability benefits is for employers to provide a company permanent health insurance (PHI) scheme as an adjunct to the company pension scheme.

Such a scheme pays the employee an income throughout the period of his disablement right up to normal pension ago. If the benefit levels are related to current salaries of employees and the benefit payments have some form of built-in escalation a PHI scheme should provide an adequate income at a cheaper cost than through the company pension scheme.

Under present legislation, such payments are taxed as earned income if payments are made to the employer, who passes them on to disabled employee.

The employee therefore remains technically on the payroll during his disability and is still eligible to remain in the company pension scheme. On reaching normal pension age, disability benefits cease, but pension payments commence.

More importantly, the employee remains covered against death in service, a much more valuable benefit since he may be more likely to die in service than his healthy counterpart. His widow and dependents will not suffer as a result.

If employees are disabled or are ill for at least 28 weeks, they are entitled in invalidity benefits from the social security system. These payments, which are tax-free, need to be taken into account in fixing the amount of benefit paid from the PHI scheme. It is easy for an employer to provide benefits which give an employee a higher net salary when ill than when he is working.

Employees earning up to £9,000 a year will get a higher net income—because of the invalidity benefit—if the PHI benefit is only two-thirds of salary.

For obvious reasons, an employee should not be financially better off sick than working. The normal procedure is to limit benefits to 75 per cent of gross earnings less the State benefit.

It is usual for PHI schemes to be arranged through a life company, even though the main pension scheme is self-administered. The main problem with such schemes is in handling claims to sort out the genuine from the malingerers. It is easier for an outside body to handle what could be a delicate employee relations area.

A group PHI scheme can serve as a useful social purpose to the disabled employee as a financial one. Many disabled employees could, after a certain period, take up some form of less onerous work for a lower salary. A PHI scheme can pay partial benefits if the employee takes a part time job or a lower paid job, effectively making up the employee's salary. The employee is thus encouraged to return to an active life instead of remaining idle without financial penalty.

● **Last week's article stated that invalidity benefits formed part of the recipient's taxable income. This was incorrect and such social security benefits are paid tax free. We apologise for this error.**

Cashing in on new businesses

INVESTORS WISHING to cash in on the tax incentives provided under the Government's Business Start-Up Scheme now have two funds to choose from. Details of the new look Electra Risk Capital, a subsidiary of Electra Investment Trust, were finally announced this week, inevitably inviting comparisons with the much publicised Basildon Fund launched a few days earlier.

Electra was originally scheduled to get off the ground in April but not enough effort was devoted to explaining its objectives and the result was an ignominious flop.

The new version, however, looks much more promising and the sponsors have obviously learnt from their earlier marketing mistakes.

Electra's aim is the same as that of the Basildon Fund, the new offspring of stockbrokers Laurence Prust. This is to invest the money raised in a range of small businesses which have just started up or which have been trading for less than five years, and to enable shareholders to claim relief on their investment at their top marginal tax rate.

The net cost to someone paying 75 per cent tax of a £2,500 stake will therefore be £625 once the money is fully invested.

Up to 6,000 Master shares are being issued by Electra at £2,500 apiece so if all goes well the fund will start at £15m. Commitments have been entered into with various stockbrokers whose private clients have agreed to subscribe not less than 2,000 Master shares (£5m).

Mr Michael Stoddart, chairman of Electra, said this week that the proceeds will be spread between about 40 to 50 different entrepreneurs. (The Basildon Fund, which is hoping to attract £1½m, is aiming for between 5 and 10 separate investments).

Holdings in each "target" company will be bought on behalf of all shareholders pro rata to their stake so that each Master Share will have a common portfolio.

One important consideration for participants is that part of the subscriptions will almost certainly not be invested by the end of this financial year and will therefore not be eligible for tax relief immediately. Mr Stoddart is keen not to tie all the funds up in a hurry—and therefore risk picking losers—simply to meet this deadline. The money will, however, be fully invested by April, 1983.

The other unusual feature is the management charge. There is no front end load as such but in order to recoup their expenses the managers will keep all the income earned from money on deposit. After a week in which bank base rates were hoisted a further two percentage points this might seem a somewhat overgenerous award, especially since there is no commitment to invest early.

Electra points out, though, that the method is highly tax-efficient. Tax relief will be available on the whole investment — a capital charge at the outset would not qualify — whereas interest in the hands of investors would in any case be reduced by their high tax rates.

Mr Stoddart admits that Electra is on trust not to sit on the funds but as he points out the company has its reputation to protect and will no doubt be anxious to launch similar ventures in due course. Electra and its parent EIT will also be able to negotiate options up to a limit of 15 per cent of the money put up by the fund — an incentive to find suitable situations as soon as possible.

Tim Dickson

PROPERTY

Cutaway house

BY JUNE FIELD

WHAT DO you know about the innards of your house? Most people understand more about the workings of their car and in an effort to promote greater appreciation of the complexities of what lies beneath the skin of a home, a building firm in Leicester this week opened a full scale two storey, three bedroom "Cutaway House."

The side of the timber frame construction has been cut away to reveal the layers—12 mm plasterboard, polythene vapour barrier, four-inch insulation quilt, timber stud wall, ⅜ inch Canadian spruce pine plywood sheathing, asphalt waterproof breathing paper and a cavity before the external facing brick or cladding goes on; in this case, Appleby Royal bricks plus a vertical tile handing of Redland "plains" with their Regent mottled reds on the roof.

The house, built by Walter Gimson and Sons, timber specialists established in 1824, is part of their adventurous new 25,000 sq ft undercover "one-stop" building centre at Swan Lake Mill, Upperton Road, Leicester. Here you can buy all the items you will have seen in the house — from window frames to floor boards, skirtings to sliding door gear, paint and preservatives, architraves and aluminium patio doors, locks, latches nails, nuts and bolts.

You can either drive in and collect the items you want as you go along (the carefully marked out parking lanes are wide enough so that two lorries can pass), and pay at the other end, or give your shopping list to one of the "tally-men" on duty. The operation is based on the Canadian one-stop outlets (five Lumberland stores in Vancouver also include carpets and electrical items), and the idea is that it eliminates counter queues or standing around the building yard in the rain.

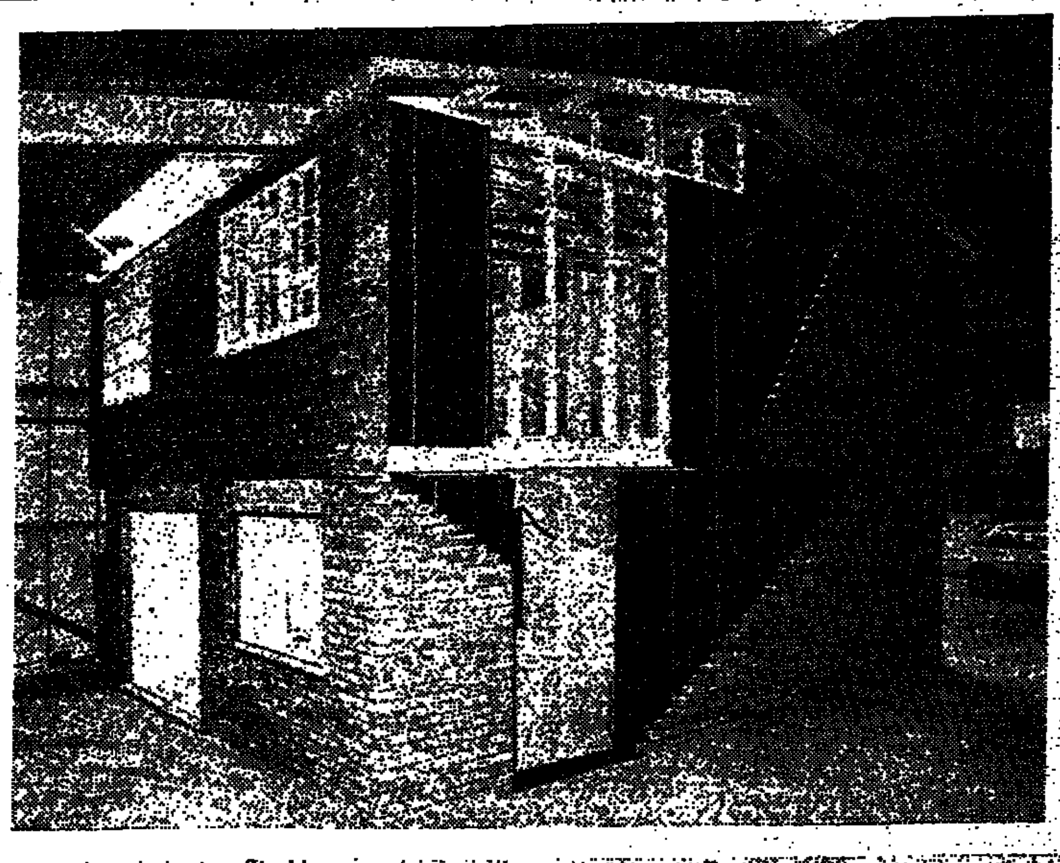
If you want a different measurement of wood to what is in the display stock, then you can cut what you want from one of the lengths—saws are provided; or the staff will do it for you. If you cannot cram everything into the car, there are "heavy side" building materials like sand, cement, bricks and tiles too—then there is a country-wide delivery service.

Note:

Cutaway House and Building Materials Centre is open Mondays to Fridays 8-4.45, Saturdays 8-12 noon, and today and the next two Saturdays experts will be available to give specific advice for the handyman who wants to build anything from an airing cupboard to a full-scale extension. Leaflet on G. T. Homes (the company build local authority, private sector and individual houses), from Mr Ivan Court, manufacturing manager, Grimson's, Swan Lake Mill, Upperton Road, Leicester (0533 549616).

For a free information sheet on other timberframe house designers and manufacturers, contact Mr Bill Potter, TRADA (Timber Research and Development Association), Stocking Lane, Hughenden Valley, High Wycombe, Buckinghamshire. The booklet *Knowing your Timber Framed House*, produced several years ago is still the best basic guide, plus the newly published *Timberframe With Confidence*.

Mr Peter Shapcott, the British Woodworking Federation, 82, New Cavendish Street, London, W1, will also supply lists of members providing a complete building service, together with the two booklets, for a 30p stamped addressed label.



Left. The Cutaway House which opened this week at Gimson's new Building Materials Centre, Swan Lake Mill, Upperton Road, Leicester, where experts will be available today to give specialist advice to the handyman or woman. The side of the timber-frame house has been cut away to reveal the construction.

★

Below. Timberframe old-style—this 17th century cottage is partly restored. Called King Charles' Cottage, because it is claimed that the King hid in it in a wicker basket in the roof after his defeat at Worcester in 1651, the Hereford office of Bernard Thorpe is asking in the region of £50,000. The price includes benefit of a repair grant and the wicker basket which is still in the roof. Inquiries Mr Graham Philpot 0432 6202.

A roof over your head?

WHEN DID you last look at your roof? Half the houses in the UK were built before 1945, and ageing tiles and nail-fixing fatigue could mean that some 6¼ million roofs could be suspect, the roofing companies say. They warn property owners to look for clay tiles or slates starting to flake, guttering blocked with broken slates, damp areas in the loft, shafts of sunlight through rafters—all pointers to roof trouble.

As are a broken or loose ridge tile, crumbling chimney-stack or loose chimney-pot, corroded zinc flashing which allows water to penetrate behind a slate or tile, with water penetration at a crumbled cement fillet liable to cause internal damage to abutment walls.

Choose your roofing contractor through the National Federation of Roofing Contractors (NFRC) to avoid "cowboys" who cut corners. Scaffolding is essential for a workmanlike job, apart from safety considerations, says Redland, who this week launched a re-roofing advice centre where householders can telephone and get free advice on any symptoms.

The company, who made its first roof tiles in 1919 in a sand pit at Reigate, Surrey, introduced the first concrete tile to Britain when slate was still the most popular roofing material. Cheap to mass-produce, the concrete tiles were strong, did not decay or suffer from lamination.

What does it cost for a new roof? Mr Alan Holloway, Redland re-roofing manager, says: "This depends on the size and type of house, design of the roof and choice of tiles. A semi-detached house can be re-roofed with concrete tiles for less than £2,000, which can be paid for through Mercantile Credit spread over five years."

There are more than 350 Redland approved roofing contractors throughout the country, and the advice centre will get someone to come along and give you a free inspection and estimate without commitment on your behalf.

Mr John Witt, director of Marley Contract Services in Kent, reports a dramatic rise for roofing materials both by trade and retail customers, brought about by the increase in the renovation and maintenance markets. Marley has about a dozen roofing centres around the country, from Devon to Greater Manchester.

While the company does not really recommend clambering around the roof yourself, if you feel that you have to, then their advice is: Use secure ladders, crawling boards, safety ropes, scaffolding or towers if possible and, above all, to wear a hard hat. If a tile has fallen off the roof, then take it to a builders' merchant or roofing centre, so that Marley can try to match it.

Houses in conservation areas obviously benefit from hand-made tiles and the Keymer Tile Company of Burgess Hill, in Sussex, claims to be the only company producing hand-made clay tiles. The company was established in 1870 by Samuel Copestake, a London merchant, the local paper recording at the time that "a very large trade appears to have resulted almost instanter." In the early part of this century Keymer tiles and bricks were used in the construction of Manchester Central Station and Byker Bridge, Newcastle-upon-Tyne. With such a demand for hand-made tiles, the company ceased production of bricks nearly two years ago to concentrate on their tiles.

For further information on roofing and lists of contractors, contact Mr Tom Player, Redland Re-Roofing Advice Centre, Redland House, Reigate, Surrey (07372 424888, 9-5 weekdays); Mr John Witt, Marley Contract Services, London Road, Riverhead, Sevenoaks, Kent, who will also send their new poster *Roofing, Yesterday and Today*, a visual record of nearly 1,000 years of roofing development, for £2.75 including postage; and, for list of members send stamped addressed label to Mr. R. W. Wormell, general secretary, NFRC, 15, Soho Square, London, W1.

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LEISURE

Growing old in the sun

BY SYLVIE NICKELS

ON THEIR RETIREMENT, a pair of our former neighbours bought a rugged trailer, fitted it out with every imaginable comfort and convenience to ensure their self-sufficiency, and set off to see the world. That was about five years ago. Since then, we have heard echoes of them from far flung corners of Europe, Africa and North America. Occasionally they appear, looking tanned, much younger and swearing they could never live so cheaply at home. Currently they are in California.

This kind of fulfilment of a day-dream is rare and requires a certain temperament and tenacity. But there are much easier ways of spending at least the worst part of the year away. There are apparently about 14m retired people in Britain and, whatever else this statistic is worth, it has activated a whole section of the travel industry, filling beds, excursion buses and souvenir shops in those months when they are most likely to be empty.

It has resulted in some quite significant bargains, too, often featuring all kinds of extras, such as excursions and entertainments programmes ranging from bridge and whist drives to old-time dancing. This kind of conviviality is obviously not to everyone's taste and, though no one is forced to join in, it is advisable to choose an arrangement which caters as closely as possible for your need for organised sociability or lack of it.

Saga Holidays, who have made the over-60s their business for the past 30 years, quote "from £4.55" per night with full board for a six-month stay on Spain's Costa Brava. Different companies have different ways of calculating long-stay costs, some simply adding an extra charge per week, others—like Saga—combining packages on successive departure dates, with large discounts to eliminate the travel element on all but the first.

With the aid of a damp towel and a pocket calculator, I worked out that around four months with Saga in Minorca would come to about £760; in Cavtat, near Dubrovnik, Yugoslavia, £800; in Sousse, Tunisia, £1,050; and the Portuguese Algarve, £1,300—all in good hotels with full board, and all including Christmas and New Year festivities.

Travelscene, who launched their Club 60 programme five winters ago, also feature Malta and a popular selection of Spanish destinations, but this year are introducing an attractive-sounding arrangement to that most traditional of all European winter destinations, the *Côte d'Azur*.

The choice is between a self-catering apartment or a three-star hotel at Juan-les-Pins. Departures in January are £459 for five weeks in the hotel with *half board and return flight*, with additional weeks costing £70. The stay includes a bonus package of four excursions and a couple of parties, but the organised conviviality does not sound obtrusive.

Global's Golden Circle Holidays extend up to several weeks, while Intasun quote a number of destinations on a six-month basis in their Golden Days programme designed for the over 55s: for example, Benidorm at from £30 a week and Malta from £54 a week, in both cases with full board. They also offer Miami Beach at from £76 per *week over a similar period*, though this is for a room only. Intasun have a particularly wide choice of departures from provincial airports.

Among specialists in the Algarve are the Travel Club of Upminster who have been in the holiday business for over 40 years and built up a special reputation for dispensing with booking conditions and the potential snags associated with them.

They also froze their prices "unconditionally" last May for a perod of 12 months. Prices for a number of four-week arrangements are quoted, but longer stays are available on request and, on a few departures for 4-6 week holidays, there are even free flights with clients benefiting from free seats on otherwise empty aircraft. On these you simply pay the villa rental (£22-£38 per *week including maid service) or* hotel rate (a very wide range of £42-£152 per week half board).

Sight seeing in Dubrovnik

Golfers benefit from reduced green fees on a number of championship courses.

Specialists in villa and apartment holidays include Meon Travel who offer special rates for periods exceeding four weeks. *Departing December 16*, for example, an eight-week arrangement for two in delightful-looking garden apartments on the Algarve coast costs £537 per person, including a car with unlimited mileage (£160 less without car). There is a similar rate, without car, for eight weeks in Malta, departing January 6.

Some of these arrangements, of course, have no age limit—it is simply that the retired are more likely to have the time to take advantage of long-stay rates. Where an age limit is specified, it is not rigidly applied to all members of a small party travelling together.

Further information: Saga *Holidays, 119 Sandgate Road*, Folkestone, Kent CT20 2BN; Travelscene, 94 Baker Street, London W1; Golden Circle Holidays, Glen House, 200 Tottenham Court Road, London W1P 0JP; Intasun, 29-31 Elmfield Road, Bromley, Kent BR1 1LT; The Travel Club, Station Road, Upminster, Essex RM14 2TT; Meon Villa Holidays, 32 High *Street, Petersfield, Hampshire* GU32 3JN.

Driving by computer

BY STUART MARSHALL

BMW's new 5-series saloon. Familiar styling and a little faster than before, but it is lighter and more economical

GRADUALLY, A new generation of car instruments is taking over. Once they only informed: now they instruct the driver what to do and when.

The latest BMW 5-series cars, which reach Britain this month, have a pair of them. SII stands for service interval indicator: ECD means energy control display.

SII does away with the old idea of fixed mileage servicing—the routine oil change at, say, *6,000 miles, whether it* was accumulated in a few weeks of motorway running, or over six months of stop-start driving from home to shops and golf clubs. Surprisingly, quite a few BMWs are so used.

What SII does is to monitor and remember engine speeds and temperatures, the number of cold starts, distances driven *and times elapsed. It knows* when the oil needs changing, passes the message to the driver by a combination of red and green lights—and switches on a bright amber light if ignored. The caring, though high mileage owner, will eliminate a lot of unnecessary services.

ECD measures the petrol as it is metered through the fuel injection system. The exact miles-per-gallon figure is shown in the lower part of the rev counter dial. Watching the consumption leap from 40 *mpg at a mid-50s cruise to* 20 mpg merely by accelerating to pass a lorry is salutary, especially if you are buying the petrol.

In fact, the new 5-series BMWs promise to be extremely economical as well as faster than the cars they replace. They do not look much different but are lighter, create less drag and are very high geared. As I loped along the autoroute last week at 80 mph, the tachometer needle was not even nudging *3,000 rpm*.

The official urban, steady 56 mph and 75 mph figures for the new 525i and its predecessor are 20 mpg (19.9 mpg), 39.2 mpg (35.8 mpg) and 31 mpg (27.2 mpg). The 520i, which I have not yet driven, is better still at 25 mpg (urban) and 39.2 mpg/31 mpg at 56/75 mph. Five years ago, when BMW began *planning the new cars*, they recognised the need to meet changed economic and political circumstances. It is far less acceptable today than it was in the mid-1970s for a German businessman to be seen to be driving the biggest and most powerful car he or his company can afford. Hence the frequency with which the model numbers are taken off the boot lids of BMWs and Mercedes-Benz cars alike.

BMW says that computer-aided design changes have made the lighter, more fuel efficient new 5-series cars safer as well as a little faster. I have no doubt that the claimed maximum speeds of 122 mph for the 525i and 130 mph for the 528i are realistic.

More important to the senior executives at whom the 5-series cars are aimed is their comfort and stability when *driven fast on wet and slippery* roads, their near silence at motorway cruising rates. The seats are exceptionally well-shaped and there is more room in the back than before. The five-speed gearboxes, standard on all 5-series cars except for the four-speed 518 and the automatic-only 528iSE, which will go on sale here in the New Year, *are slick and pleasing to* use. When the sheer quality of the BMWs is considered, the prices seem most reasonable. The 525i is £10,495 and the 528i, £11,745. The 518, which has a carburetted four-cylinder engine instead of a fuel-injected six-cylinder, will cost £7,265: one can pay more for a Ford Cortina. The 5-series flagship, the 528i SE (for special equipment) will be £14,240.

Power steering is standard; optional extras include automatic transmission (£460).

THE TRIUMPH ACCLAIM, BLs most important new car this year, will make its debut at Motorfair, which is being held at Earls Court from October 21-31. Nor will the Acclaim, which I shall be dealing with in detail next week, be the only newcomer. It will offer a first chance for *most British taxpayers to see* the De Lorean car, in which so much of their money has been invested. The Jugoslavian Zastava, a hatchback based on the elderly Fiat 128, will be there in several versions. Porsche will be showing their 2½-litre, four-cylinder 944, though it won't be on sale in Britain until next spring. And *there will be some interesting* variations on the Metro theme.

This year's Motorfair will be the second one to be held. The first one was in 1977 but a projected Motorfair of two years ago (it takes place when there is no International Motor Show at the National Exhibition Centre, Birmingham) was called off after a row between the organisers and the Society of Motor Manufacturers and Traders. All was settled amicably when the SMMT decided to co-operate with *Motorfair*. The Motor Agents Association and the Greater London Council are also working with the organisers this time. A total of 500,000 visitors are expected.

Unlike the Motor Show, which is organised by the industry, Motorfair is run by the trade, though the dealers who staff the stands look to the *car makers and importers for* support. It promises to be a lively event, with the auction of the entire BRM racing car collection on October 22 as one of the highspots. Admission is £5 on the first day, £2 on all the other days.

Spoilt for choice: birds or a view?

COUNTRY LIFE

JOHN CHERRINGTON

AS A very minor contribution to the preservation of our native fauna we have, over the last few years, maintained a bird table and a bird bath outside our picture window. Nothing really flash you understand. The bath a sort of limestone font on a pedestal must have set us back a few quid. The table is one of those tiled affairs, and to cap it all I knocked up a box with a sloping roof, bored an inch hole in the side and hung it in a nearby tree.

Our first visitors were the Tom Tits. They took possession within a few minutes and reoccupy it every spring. I have never actually seen any brood they might have hatched out. But they certainly spend a lot of time flying in and out with sundry bits of material and presumably later with food.

We soon learned that tits don't like eating on the level. They like to hang upside down as in a coconut shell, or on a strip of fat hung on a branch. But what they really prefer are peanuts presented in a wire cage readily purchased for the job at any pet shop. They don't just eat them. They devour them at a rate that would empty Jimmy Carter's warehouse in a trice.

Probably because the cages are designed to use up the maximum number of peanuts in a given time, many bits and pieces are just dropped to the ground. They are gratefully received by the house and hedge sparrows, wrens, blackbirds, thrushes and in fact anything that comes along including rats and mice.

One of the alleged benefits of the bird table is that it is a good thing on which to get rid of waste food. Indeed it is. But not to the deserving small birds for which it was designed. There are others not so attractive which can spot a good meal a long way off. Jays, magpies, rooks and jackdaws will seize anything they can reach and fly off with it. To stop them doing so we have had to enclose the tray by a sort of fence with the result that we cannot even see the deserving birds at all.

In any case the jays and magpies are certainly predators taking the eggs and even young of the *smaller birds if they get* the chance. Is it in the small birds' best interest if we encourage their natural enemies to stay around and help to feed them? Although we don't feed in summer when we think the birds should fend for themselves, we do know that more have been nesting near at hand since we have provided so many goodies.

I could of course shoot the predators, *but such a solution* is not approved. After all they don't actually kill the smaller birds and everything, yes everything, in nature has a right to life. So we open the window and shout at them and they fly away only to come back again.

Of even more concern are the cats. They don't go for the tits but hide near the base of the table and jump out on those *picking up the crumbs that fall*. The solution in this case has been to feed the farm cats with sufficient proprietary food some *distance away so that they were* too replete to attack the birds, or the rats and mice which used to be the object of their being kept in the first place.

But of even more concern is the hawk. The other afternoon *there was a sudden burst of bird* alarm, sparrows being particularly noisy, and the birds all disappeared—many into a thick bush. There on the fence was a Sparrow Hawk, which even as I watched dived into the bush from which a cloud of small birds flew out. He missed his strike. But an hour or so later I saw it flying with a small bird *in its claws*.

Since then he has been back several times: sitting balefully in a nearby tree, spreading alarm and despondency all around him. He will fly away if I go out and shout at him, but not for long. I suppose I could shoot him, but then he is a protected species. I have also been reminded that he is only trying to remedy the balance of nature which has been severely upset by our having kept too many birds alive through the winter. The only solution will be to *enclose the bird feeding centre* with a sort of raspberry cage through which the smaller birds could fly, while keeping out the larger ones. But that would spoil the view.

A Derby-less Arc

RACING

DOMINIC WIGAN

DESPITE THE remarkable absence of all 18 Epsom Derby contestants and the first three home in the King George VI from tomorrow's "Arc" line-up the race is as fascinating as ever with a chance held by most of the 25 runners.

Six English-trained colts will line up and the strong overseas challenge will be reinforced by four representatives from Ireland and one from Denmark.

Although Ardross, the long-time ante-post favourite, is said by Henry Cecil to have "thrilled" Piggott in his final *workout even his most ardent* admirers must agree that he will be hard pressed to extend his winning sequence. The outstanding "cup" horse of his generation has not run over a trip as short as this one and a half miles since finishing unplaced on his season debut last year and unless he can produce the necessary early pace in *tomorrow's "cavalry charge"* he is likely to present Piggott with some insurmountable problems.

Two better eachway propositions from among the British contingent look to be Beldale *Flutter and Prince Bee*. The first-named put up a fine performance following a long lay-off to beat Kirtling in the Benson and Hedges Gold Cup, while Prince Bee achieved a similar feat though in lesser company when lifting Goodwood's Valdoe Stakes over an inadequate 10 furlongs.

Prince Bee, who was having *his first race there since finishing* sixth behind Akarad and Bikala in the Grand Prix de Saint-Cloud, completed a hat-trick last autumn with a win in the Prix Neil. If, as seems *probable, he is at his most* formidable at this time of the year, Sir Michael Sobell's colt will make a bold attempt to achieve a task which proved beyond his owner's Troy. Anyone considering a bet on Prince Bee will, however, do well to remember that starting price bets include support for Lancastrian as runners in the same ownership *in France are coupled on pari-mutuel* returns for security reasons.

On the home front Von Erlach is given a tentative vote in the William Hill Cambridge*shire an hour after which* Swinging Rebel is suggested with reasonable confidence for the Severals Handicap.

NEWMARKET

1.45—Wicked Wave**

3.00—Von Erlach*

4.00—Swinging Rebel***

LONGCHAMP

Prince Bee e.w.

Sharpo

BOOKS

Lion city

BY PETER QUENNELL

Venice: The Greatness and the Fall
by John Julius Norwich. Allen Lane. £12.00. 400 pages

Ruskin and Venice
by Jane Clegg. Junction Books, £12.50. 230 pages

The Stones of Venice
by John Ruskin, edited by Jan Morris. Faber and Faber, £12.50. 239 pages

On Friday, May 12, 1797, the last Venetian Doge. Lodovico Manin, having removed his cap of office, untied the linen cap he wore beneath and handed it to his valet, remarking "Take it. I shall not need it any longer." Then, on Sunday, June 4, a grotesque pageant was staged in the Piazza San Marco by Napoleon's general to announce the foundation of a new democracy. A "Tree of Liberty" dominated the ancient square, around which members of the Municipality executed a solemn dance. Meanwhile, other Venetians—children carrying torches, a betrothed couple labelled "Democratic Fecundity," and an elderly man and woman bearing heavy agricultural implements—had formed a symbolic procession to the sound of four huge bands. Soon afterwards it was decided that every statue or bas-relief representing St Mark's Lion should immediately be destroyed.

At this juncture John Julius Norwich brings his admirable story of Venetian glory and decadence—the first volume appeared in 1977—to an appropriately tragic close. He has completed a well-written and highly informative work: but I question his statement that the fall of Venice "was lamented by no one except her own citizens." Has he forgotten Wordsworth's famous sonnet, with its noble last lines?—

> Men are we, and must grieve when even the Shade
> Of that which once was great, is passed away.

Although the Republic itself had been extinguished and the Veneto presently sank to the status of a mere Austro-Hungarian province, Venice gained a fresh renown. During the 18th century, when her power was already declining, if it had not yet entirely vanished, she had been a city of pleasure, where music and painting flourished, and every tourist—except, oddly enough, the captious Edward Gibbon—admired her palaces and churches. During the 19th century, the successors of the same tourists, examining her from a different point of view, found her equally majestic. Her charm, wrote Lady Morgan, had nowadays "rather increased than lessened." She was "never perhaps more beautiful . . . than at the present moment," when she displayed "such majesty of ruin, in such affecting combinations of former splendour and actual decay, that their material beauty is heightened by deep moral touches."

Under Austrian rule Venice became the fabulous city that delighted Byron and would later fascinate John Ruskin. Lord Norwich is especially interesting on the Republic's foreign policy and the attitude of cautious neutrality with which they sought to guard their freedom; but elsewhere I wish he had dealt at somewhat greater length with the social background of 18th century Venice. William Beckford, who gives us vivid pictures of the "thoughtless giddy transport" that kept Venetian life so feverishly active, is mentioned only in a single footnote; while Casanova, who, besides being a swindler and professional seducer, was also a mathematician, philologist and learned writer, and latterly an ill-paid police spy, gets extremely short shrift. Lord Norwich pays fitting tribute, however, to Canaletto and Guardi and their far-seeing British agent Consul Smith; nor does he fail to salute the genius of Vivaldi and of the rich paper-merchant, turned composer, Tommaso Albinoni.

Byron left Venice in 1819; Ruskin, as a sixteen-year-old boy, first arrived in 1835, when he wrote some exceedingly bad verses:

> And now I'm in the halls so high of Ocean's lovely daugher
> And gondolas are gliding by like arrows in the water . . .

He returned for the last time, then on the verge of mental collapse, in 1888. Jane Clegg, the author of *Ruskin and Venice*, has noted his 11 visits with sympathetic scholarship. She describes the varying impressions he gathered and provides a particularly good account of his long stay between 1849 and 1850, just after the gallant Venetian revolt and the punitive Austrian siege that followed, during which he began to write his masterpiece *The Stones of Venice*.

As a critic and historian of art, despite his flashes of inspired eloquence that light up the fabric of the city, he was often wildly inconsistent. He detested Baroque and Palladian architecture—of S. Giorgio Maggiore he announced that it was "impossible to conceive a design more contemptible under every point of rational regard"—yet developed a poetic passion for "the mighty Paolo Veronese," because he was a "boldly Animal artist," in comparison with whom Fra Angelico and "all the purists" were but "poor weak creatures . . . One would have thought purity gave strength, but it doesn't."

Jan Morris's new edition of *The Stones of Venice*, like *Ruskin and Venice*, is a finely illustrated book, which contains both Ruskin's own exquisitely detailed drawings and a series of early daguerrotypes and photographs showing the 19th-century city that he knew. It has one major defect: there is no indication on the title-page that the original text (which ran to 450,000 words) has been drastically abridged. Some abridgements are more deleterious than others. In Ruskin's superb introduction to the splendours of St Mark's, for example, we miss the preliminary and the concluding paragraphs; and each is a specimen of this prose style at its stateliest and most evocative. Until the reader has studied them, he cannot pretend that he has grasped the passage as a whole.

King Henry III arrives in Venice in 1574. Lord Norwich's new book, of which this is one of the illustrations, is reviewed today

The anthology **Christmas Crackers: being ten commonplace selections 1970-1979** compiled by John Julius Norwich (Allen Lane, £8.95, 288 pages) has just been reissued to coincide with the publication of the book on Venice. This anthology began life as an annual crop of quotations sent to friends at Christmas culled from authors as diverse as Gibbon and Dorothy Parker. It has now become a flourishing collection of prose and poetry testifying to an eclectic taste and eye for witty eccentricity. **A.C.**

Impossible partners

BY GEORGE MALCOLM THOMSON

Churchill and De Gaulle
by François Kersaudy. Collins, £12.95. 476 pages

Anyone who is still simple-minded enough to believe that politics is a science, exact or otherwise, had better read this book. For here are two statesmen of genius, men of towering intellect dealing with problems of the highest importance to their countries and the world, Churchill and De Gaulle, and they behave over and over again like two jealous schoolgirls.

It may be admitted that the circumstances were unusual. Britain was compelled to deal with the Vichy government which De Gaulle regarded as legally and morally non-existent. He himself was the sole embodiment of France. Which was a fantasy, no doubt, but one essential to his part in the great drama. The storm, which was inevitable, broke over the armistice terms with the Vichy forces in Syria; these General Spears (later an arch-foe of De Gaulle) described as "preposterous." The Vichy troops were to be given full honours of war, were to be concentrated under their own officers so that in practice they could not opt for Free France; by a secret protocol, no contract was permitted between Vichy troops and the Free French.

Naturally, De Gaulle repudiated the agreement. Naturally, he thought it meant that Britain intended to usurp France's place in the Levant. The British army did everything possible to make matters worse. For example, when the Free French commander-in-chief in the Levant arrived at his HQ, an Australian guard would not allow him to enter. The French flag was replaced by the Union Jack. It was evident that British officers were more in sympathy with Vichy officers than with their Free French counterparts. Was it surprising that De Gaulle was suspicious and angry?

From this point, relations between Churchill and De Gaulle never really recovered. In September of that year there was a confrontation in 10 Downing Street, the story of which would be hilarious if it were not so sad.

Churchill told his secretary, Sir John Colville, that when De Gaulle arrived he would greet him by rising, bowing slightly, but would not shake hands. Nor would he speak in French but would converse through Colville as interpreter. It did not work out like that.

Colville had only translated the opening words into French when the Prime Minister interrupted: "I did not say 'Mon General' and I did not say I had 'invited' him." When Colville tried to translate De Gaulle's first sentence, the General interjected "No, non. Ce n'est pas du tout le sens de que je disais. Churchill decided at this point that they had better find another interpreter.

Nicholas Lawford, whose French was immaculate, hurried over from the Foreign Office to the Cabinet room, where the two eminent statesmen sat in obstinate silence. But in no time at all Lawford emerged red in the face. They had told him he could not speak French properly; they would have to get on without an interpreter.

Colville waited outside for an hour; then, fearing violence, he went in. He found the two sitting amiably side by side; De Gaulle smoking one of Churchill's cigars. "They were talking French, an exercise Churchill could never resist and one which his audience invariably found fascinating."

The American Government did not make things easier. Roosevelt and his Secretary of State, Cordell Hull, were strongly pro-Vichy. De Gaulle was "just another French general." Churchill, devoted as he was to France, was even more attached to the United States. De Gaulle understood the situation perfectly: "Pauvre Churchill. He's betraying us and he's angry at us because he's forced to betray us."

Roosevelt was annoyed when the Free French "rallied" the islands of St Pierre et Miquelon off Newfoundland with the enthusiastic approval of the local population. Hull protested at this action by "the so-called Free French" but the Canadian Government liked it and the American press were on the Gaullist side.

Things went from bad to worse. In 1943 a breach with De Gaulle seemed imminent when Churchill refused to allow him to go to North Africa. De Gaulle said, "Then I am a prisoner" and retired to his house in Hampstead. Churchill telephoned the British minister attached to the Free French, "I hold you responsible that the Monster of Hampstead does not escape."

On the eve of D-day, another shouting match occurred over the degree of authority which Eisenhower would enjoy in France. Churchill said that in this dispute he would take the American side, whereupon Ernest Bevin intervened in a booming voice:

"The Prime Minister has told you that in every case he would side with the President of the United States. I want you to know that he has spoken in his own name and not in the name of the British Cabinet."

At the moment when the first Allied paratroopers were jumping into France, Churchill, in a towering rage, issued an order, "Tell Bedell-Smith to put De Gaulle on a plane and send him back to Algiers—in chains if necessary." As Eden said to Bruce Lockhart, "We've had a *crazy night*." By dawn the order to expel the General had been cancelled. And De Gaulle delivered one of his finest broadcasts to France, in which he spoke of "the directions given by the French government"—*his* government. Eden noticed that it was not even the *provisional* government. I'll have trouble with the Prime Minister about this, but we'll let it go."

But what, at the end of the story, did the one man think of the other?

Churchill: "De Gaulle? A great man? Selfish, arrogant, he thinks he's the centre of the Universe . . . You're right, he's a great man." De Gaulle: "In the great drama, Churchill was the greatest of all."

This is the story of an extraordinary partnership which at times was almost a hatred, which was certainly difficult and painful enough. François Kersaudy brings justice and—much needed—compassion to his fascinating record. Which of the two, the haughty or the enraged, was more to blame? That is the question Dr Kersaudy now puts before the jury.

Fiction

Horrors on easy street

BY ISABEL QUIGLY

The Temptation of Eileen Hughes
by Brian Moore. Cape. £6.50 211 pages

A Painless Death
by Sally Rena. Weidenfeld and Nicolson. £5.95. 156 pages

Silver's City
by Maurice Leitch. Secker and Warburg. £6.95. 181 pages

A Weekend with Claude
by Beryl Bainbridge. Duckworth, £6.95. 152 pages

The Temptation of Eileen Hughes is about the violence of two things, passion and wealth, acting on an inexperienced and unresponsive girl. Eileen is an innocent, at 20 she is so unaware of things that she finds nothing odd in being "taken up" by her employers, owners of the large shop in northern Ireland where she works.

At the smart London hotel to which they have invited her for a week she discovers the smoothness of life when you can pay lavishly for it. She has become an obsession for her employer, Bernard, who loves her with an ardour he insists is non-sexual. His wife, ostensibly Eileen's friend, picks men up whenever she fancies them. Eileen loses her virginity to an American called Earl who seems her answer to everything, but turns out to have been so drunk he probably doesn't remember her next morning.

The theme of money's power, of Eileen's dependence on Bernard and his wife because they have it and she hasn't, underlies the action: Eileen's sick mother she must care for and stay with, the job Eileen mustn't lose, the future she can't calculate. Like some of Brian Moore's other female characters, Eileen is both dim and deep; there's almost something of Hardy's women in her anachronistic innocence, her vulnerability combined with a certain moral strength. The Irishness of the people, though understressed, is clear in the rhythms, rather than the accent, of their speech; and in the foreignness of London, of the English, of the contemporary world, of the footloose, friendly Americans Eileen meets briefly.

The Irish Catholicism in the background, also unstressed and scarcely mentioned, is important as well; as is today's violence and the social isolation it brings, through fear.

There is more obvious violence in *A Painless Death*, with a Swiss au pair girl drowned in a Scottish village by two sisters in their early teens. The setting is contemporary, dates, names and places are exact, an air of fact, not fiction, pervades the story. The book is a study of evil, concentrated and flamboyant, even attractive, since the more evil of the girls, the leader, is almost a beauty, a promiscuous nymphet who moves from vandalism to strangling a cat and then on to drowning the girl.

To explain these events—though none are quite explicable—there are drunken, inadequate parents and a headmaster who, unable to believe in straight wickedness, takes it all as a manifestation of madness. There is a strong imagination at work here; weird intuitions now and then; a deliberate flatness of tone, a fluency in its documentary air; all very assured in this author's third novel.

Silver's City is a fourth novel set in Belfast today, where violence is constant and pervasive, and Silver himself is one of the violent, an escaped—or rather rescued—prisoner, something of a folk-hero for his part in events a decade ago. Galloway, his rescuer, is a freelance who lives off the need for ruthlessness and anarchy; who feels he can perform any action, however dreadful, with intelligence and without feeling. Around these two are the oafish, the obsessed, the soft-spirited, the manipulated, the unimaginative or the merely stupid.

Maurice Leitch won the Guardian fiction award some years back and his writing has qualities that win prizes and golden quotable opinions on the jacket: concentration, power, a way with imagery. But I found this novel confusing, thick-textured to the point of obscurity; and compared with Sally Rena's cool evocation of evil its attempt to depict viciousness — and even virtue — seemed, not weak exactly, but ineffective.

A Weekend with Claude is the final compliment a novelist can be paid, the reprint of a forgotten early book. Beryl Bainbridge's first, long-out-of-print novel, has been reissued and "radically revised and rewritten," which may account for its lack of first-novel blues; a clear Bainbridge product pointing ahead to the unmistakeable qualities of the more famous tales of social driftwood, misfits, oddities.

Brian Moore: girl, 20, taken to hotel

In short—fans and fads

The Soccer Tribe
by Desmond Morris. Jonathan Cape. £12.50. 320 pages

Desmond Morris traces and explains the connections with tribal ritual which exist in our national winter sport. His 44 chapters cover a vast spectrum, the fans, players, managers, officials, stadiums, equipment and tactics; and he has many pertinent things to say.

On the reaction of spectators after their team has lost: "For some however, it lingers on as a seething need for revenge, and for the explosive few it can lead to actual violence . . ."

"To watch the approach roads to a great stadium on the day of a championship match is like seeing a medieval army assembling for battle."

I particularly like the photographs illustrating players in triumph and defeat, the section on tribal chants, which originated from the Kop, and even includes the horrid excreta chorus, and the growth (many would say regrettable) of synchro-clapping.

There are weaknesses, a certain naivety, the tribal parallels are inevitably overstretched, and the author sometimes does attempt to make the meaningless meaningful in order to support his conclusions. On the other hand, I have not enjoyed a football book so much for a long time.

TREVOR BAILEY

The Way We Live Now
by Polly Toynbee Eyre Methuen. £6.95. 157 pages

Polly Toynbee's weekly article in The Guardian cocks a professional snook at the axiom — much muttered by journalists—that columns are the ruin of good writing. Since 1977 she has written over 200 personal spotlights on *The Way We Live Now*. The 30 pieces collected here are consistently shrewd; sometimes sharp; always humane.

They range from soccer hooligans to boardroom lunches, shoplifting to suicide; by way of Alan Whicker, Muslim women, the Queen Mother. Her view is tempered by patience with a society where "you can't change things for women without changing men too." She casts a cool eye at urban dogs: a sad one at children in care. A piece on funerals, "the tawdry fetishism," is a model of controlled revulsion at a business most of us run up against sooner or later, usually in woeful ignorance.

GAY FIRTH

Siegfried Sassoon: Diaries 1920-1922
edited by Rupert Hart-Davis. Faber and Faber. £9.95. 304 pages

"I always believed in my powers to express something big (in poetry)" Siegfried Sassoon explained in 1922 to his friend W. J. Turner, "but a war was needed to wake me up and give me my incentive to write." This first to be published volume of his diaries reveals his constant self-questioning after that war, and serves to complement the books of memoirs such as *Siegfried's Journey*, and semi-fictional books such as *Sherston's Progress*, published during his lifetime. There are many glimpses of Hardy, Arnold Bennett, and Robert Nichols, all of whom he knew well; and Eliot and Forster whom he knew less well. Anyone who is curious to know what it was like to be a gifted, homosexual writer with no job, and a love of music, fox-hunting, and gossip in the intellectual London of the 1920s, will find it all here. More volumes are to follow.

ANTHONY CURTIS

High life

BY RACHEL BILLINGTON

The Gilt and the Gingerbread, An Autobiography
by Anita Leslie.
Hutchinson. £8.95. 202 pages.

Anita Leslie has turned her life into an enjoyable tale of aristocratic "High Jinks"—a heading for one of the chapters. However, the first part of the book impressed me mainly with the lack of parental guilt with which these lords and ladies treated their offspring:

"I remember the occasion when a temporary governess told Jack at Glaslough Station 'Go and kiss your father goodbye.' The little boy approached shyly and stood on tiptoe. Pa looked down and said coldly, 'Do sons usually kiss their fathers.'"

That reaction could perhaps be put down to Sir Shane Leslie's idiosyncratic personality. Other circumstances of his daughter's upbringing make a more general point:

"In my parents' view schools performed the same function that kennels did for dogs. They were places where pets could be conveniently deposited while their owners travelled."

This attitude, of course, gave parents an enviable freedom of movement. Not so enviable, perhaps for the children. Sometimes "the kennels" were overlooked and children snatched off to provide ballast for inappropriate foreign travel. On one occasion, Lady Leslie, the independence from her American background as the American beauty Majorie Ide still untamed, adjourned to Paris with a "jolly American called Major Logan" for whom she was considering divorcing her brilliant but unmalleable husband. This time the children came too:

"We children were supposed to benefit from our uprooting by learning French. Actually we were too unhappy to learn anything."

In a book written resolutely without undertones, this still evokes emotion. Poor little rich children! Their happiest moments seem to have been in Ireland where their grandparents Leslie presented some kind of stability in their grand family home. Although since Castle Leslie's grounds bordered the newly created Northern Ireland, stability was not the most likely quality of that area at that time. But politics, apart from a mention of Sir Shane's work for Anglo-Irish relations, is never the subject of this book.

At home, it was wild nights, fancy dress, champagne. When Anita was taken as a young woman to New York by her mother she noted with amazement that rich young American men worked:

"Rich Englishmen did not work they lived on their country estates and interviewed agents. Sometimes they became master of foxhounds or went into politics."

As always war came to save the fashionable upper classes from total fatuousness. When the parade of naughty anecdotes, amusing African travel and country "shoots" begin to pall (if not appall) then comes the war. "Eat, drink and be merry for tomorrow ye die." Suddenly the story turns to one of heroism and death.

HOW TO SPEND IT

by Lucia van der Post

Country-Style Kitchens

IF THERE is one great unfulfilled longing that is identifiable among the readers of the How To Spend It page it is for a kitchen that is uniquely designed to cater for their own idiosyncrasies and those of the house or flat they live in. Not for them the dream of a kitchen straight from the pages of a glossy catalogue.

What they all seem to seek, almost without exception, is a one-off personal design, built round their own way of life, and they want the final result to look as "undesigned," as natural, as totally "right" for them as the traditional old farmhouse kitchen did in its setting.

The large manufacturers have all seen the way the trend has been going and most have made efforts to meet the demand but the very fact that they need to sell so many similarly-shaped units in order to be cost-effective means that they can't offer anything like the flexibility that many people now want.

Largely they seem to feel that by attaching an evocative rustic-sounding name to a range and offering the cosmetic option of different door fronts or work tops they have produced a "country look."

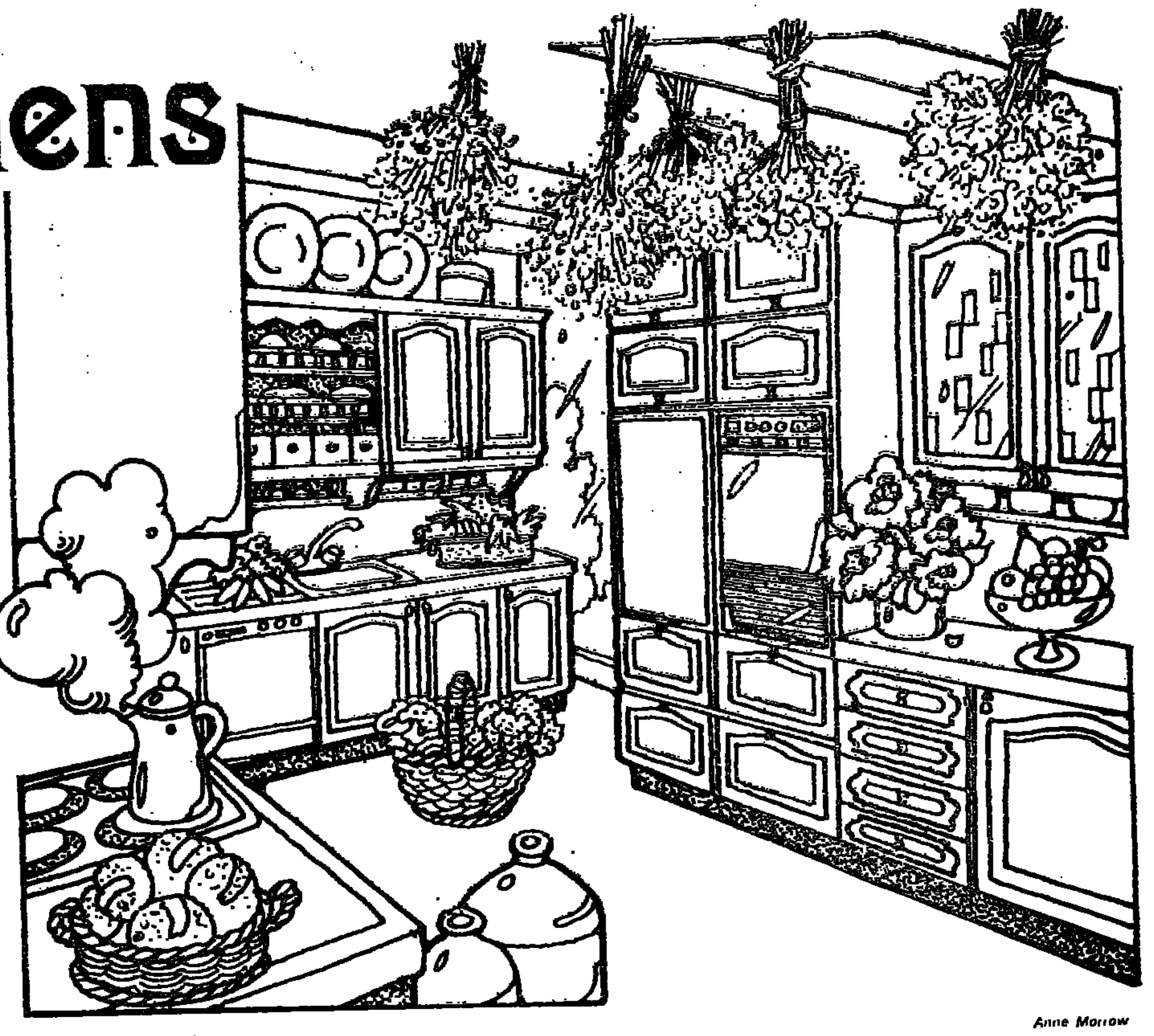
However, it seems that most people yearn for much more flexibility, much more variety than this approach allows and realising that there was a market for the old craft skills and for truly individual kitchens, a group of small-scale businesses has begun to emerge that caters for this wish. The first thing that has to be said is that this sort of kitchen doesn't and can't come cheap. Most of these kitchens are built round wood and even though almost none of them uses solid wood (carcases made from chipboard are much more practical and stable) the total effect uses and depends upon a great deal of hand-finished wood.

For those who prefer this sort of one-off kitchen of a lifetime here are a few of the small companies that specialise in this kind of work.

Smallbone, Unit 3, Garden Trading Estate, London Road, Devizes, Wiltshire. The look is distinctly old-fashioned, all the designs are based on traditional dressers and units found in Victorian and Edwardian kitchens.

Woodstock, 23 Pakenham Street, London WC1. Specialises in using maple wood in a gentle, modern and underivative way.

Johnny Grey Designs, 9 Abingdon Road, London W8. Besides a number of standard pieces of kitchen furniture of Johnny Grey's own design, the company will design and make individual, one-off pieces as well as complete kitchen schemes.



Anne Morrow

IF you can't afford the truly one-off kitchen (and anybody who hasn't bought a new kitchen recently will be stunned at what they cost — one of London's best-known kitchen fitting firms tells me that £6,000 is the average cost of the kitchens it now fits) Arco, a kitchen manufacturer based in Waterford, Ireland, offers a very attractive midway solution as the sketch above shows.

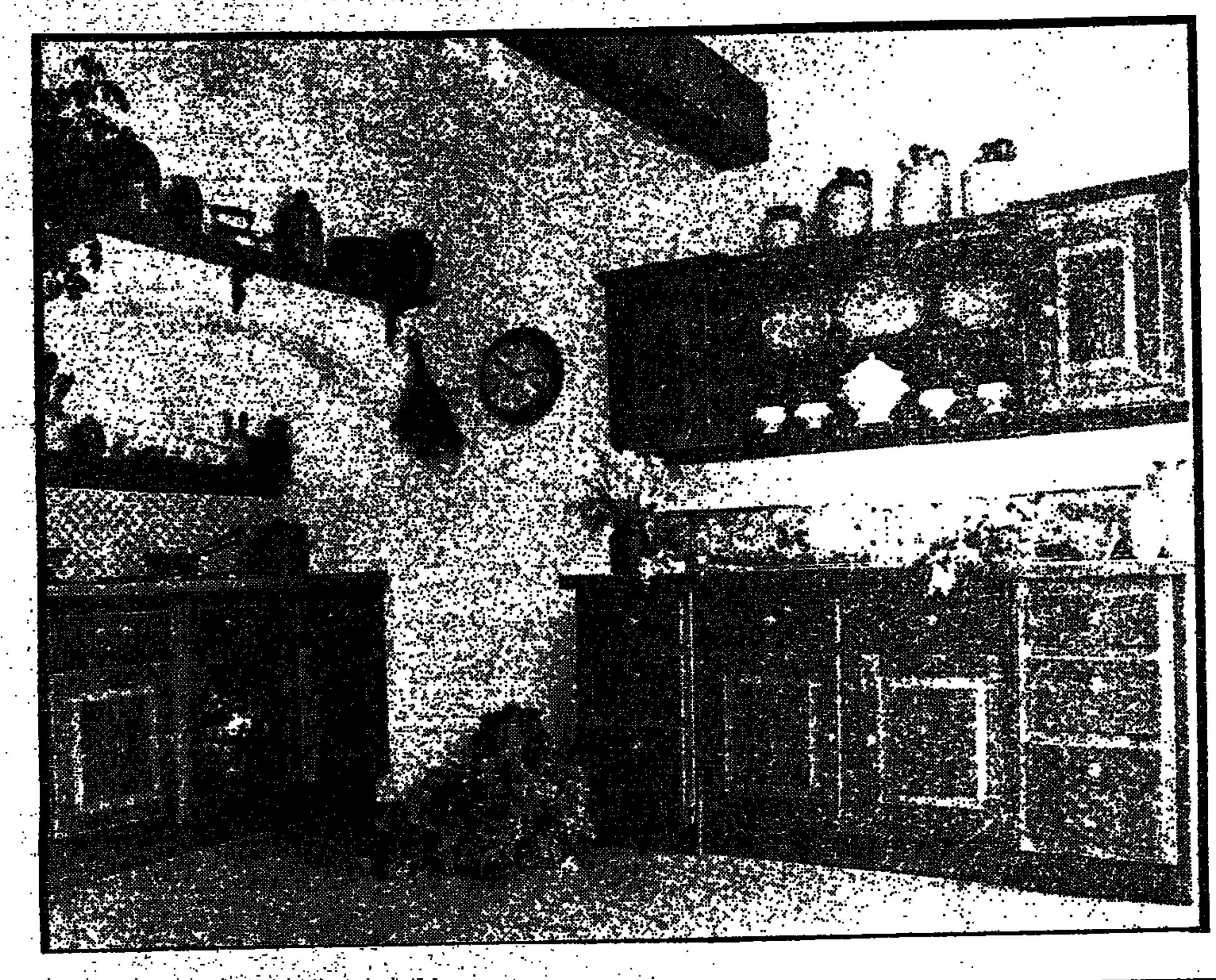
Arco has realised that there is a great more away from covering walls with rows and rows of cabinets and so has incorporated into its standard range some units which break up this box-like appearance—note the scalloped pelmet of the open dresser incorporated in the range of units over the sink at the back and the glass-fronted cupboards on the right.

Manufacturers of this sort of range tend to devise rather flowery names which they feel are appropriate—in this case Arco has plumped for "Chateau Oak." Chateau Oak does indeed use oak—though the carcases (as is common) are of particled board, the door fronts and drawers are of solid oak.

For those who like things to match and who feel the sight of a shiny white refrigerator door in their kitchen is a trifle offensive, Arco also offers solid oak panels that can be fitted to the fronts of dishwashers and refrigerators or solid oak doors.

Comparing the price of kitchens is always difficult because no two products are identical but to give potential customers some idea, a kitchen exactly like this one above would be about £7,000 (exclusive of the appliances) while the cost of a 2-door floor unit is about £246, and a 2-door wall unit about £216.

There are about 33 Arco dealers in the UK (including Penny Bee Interiors, Wimbledon, Charles Page Furniture, Swiss Cottage; John Nicholls of Banbury, Oxon; Interior Fitted Homes of Rochdale) but for your nearest dealer write to the UK sales manager, Ian Robinson, at Mistral, 25, Stoneberry Road, Windways, Whitchurch, Bristol.



MARTIN MOORE and Company is a workshop and studio just outside Manchester and it began life when Martin and Barbara Moore realised that these people who lived in older houses and were looking for a kitchen in sympathy with the style of their home were not being catered for.

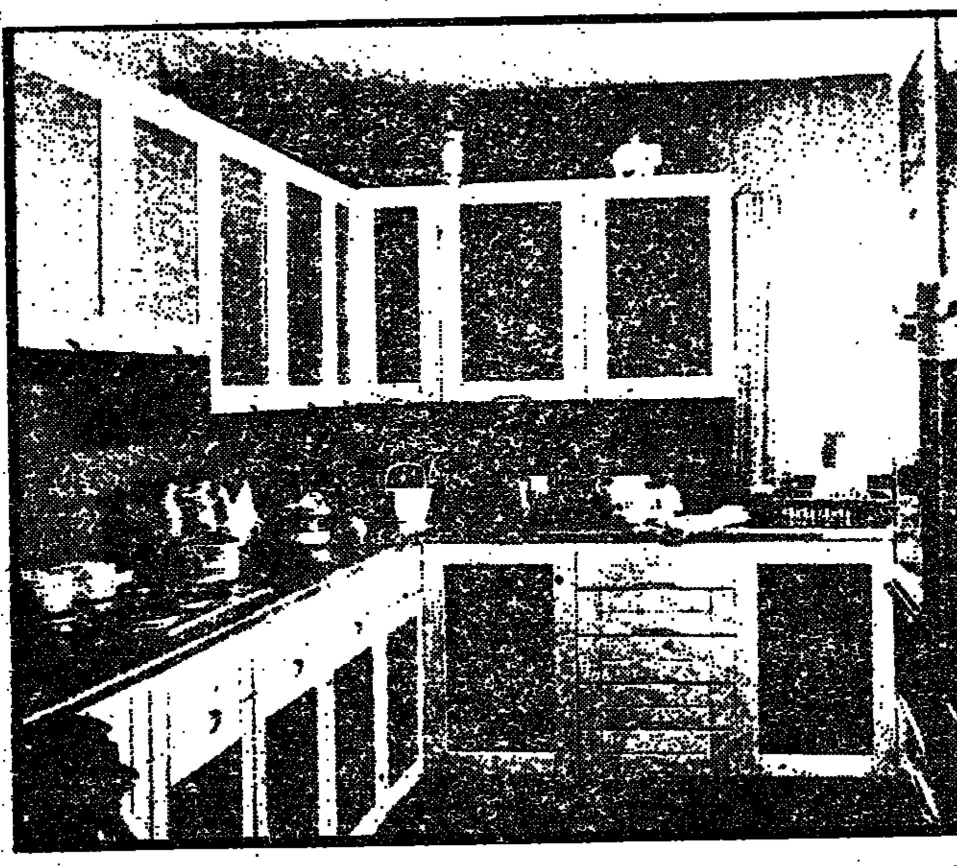
Martin Moore provides what he describes as a "highly personal service." All the kitchens are individually planned and all the units and special pieces of furniture are made from wood that was originally hand-finished over 100 years ago.

There are two basic ranges—the Pitch Pine range uses honey-coloured timber from North America which was originally used in church interiors in the last part of the 19th century. The Victorian range has more ornate mouldings and is made from a lighter, more mellow pine.

Martin Moore seems to me to offer a look that is intensely appealing—the use of antique timbers gives a genuine mellowness to the furniture and his designs seem to be gentle and usable but avoid the "quaintness" which is the obvious pitfall awaiting this type of approach.

To give some idea of price, the three main pieces of furniture in the photograph above would cost a total of about £3,200 but that figures includes complete fitting and things like tops made from French white tiles and the tiles backing the units.

Write to Martin Moore and Company, 28, Church Street, Altrincham, Cheshire, for a brochure and other details.



IF you have very little money to spend or are perhaps furnishing a small kitchen for a holiday house or making an independent unit for a student teenager, then it is worth looking at the pine kitchen range that Woolworth introduced earlier this year (photographed below left). Woolworth hasn't, of course, been able to offer much flexibility or any of the elaborate detailing that most of the companies specialising in wooden finishes go in for but what it does offer is a simple, pleasing range of very useful kitchen units at a very low price.

Part of the reason for the low cost is that the units are self-assembly. It features what are described as "Kiriklok" fittings which seem to require no screws, no glue, but just a tap to knock them into position "in the literature." Woolworth claims that it takes on average 45 seconds to put one unit together.

There are 21 different units offered in the range at prices ranging from £16.99 (for a 300 cm by 600 cm high wall cabinet) to £97.23 for a larder/broom cupboard in the most expensive finish. Most units are between £30 and £60 each and are of pine combined with laminate in three colours—green, russet or white, while the worktops are in a red tile or onyx laminate.

If you think this might solve a problem or two, the kitchen is on display at large Woolworth stores and there is also a colour brochure.

Photographed right is just one of the kitchen pieces from Pine Unlimited of 26 Royal Hill, London SE10. Pine Unlimited is a small shop cum workshop that undertakes to provide a completely one-off, tailor-made kitchen, all designed round the customer's own needs and tastes.

Needless to say Pine Unlimited uses only solid pine (though there are elm trims and mouldings) and it makes all the usual kitchen items like cupboards, larders, storage units, but will also make dressers, settles, wall panelling, ordinary doors or whatever else any of its customers happen to want.

The look that the company specialises in isn't too elaborate—I like it for its old-fashioned simplicity. There is nothing too quaint or easily nostalgic about it, most of the designs harness just a pleasing plainness which is given warmth and character by the quality of the wood and the workmanship. The pine is finished in natural wax, traditional beautiful dove-tailed joints are used instead of nails and glue and the belief of the craftsmen who run the company in honest, natural materials is reflected in their use of quarry tiles for working surfaces and marble for the pastry slabs.

The photograph on the right gives some idea of the kind of style that Pine Unlimited offers. It is one of its own designs, a kitchen piece made (needless to say) in pine, with quarry-tile work surface, marble pastry slab and a pull-out chopping block with space for knives below the board. The unit can be used to house a gas hob with four burners or, as here, a double steel sink and draining board.

It costs about £500 depending upon the fixtures required and a week should be allowed for delivery.

Puzzling times

PERHAPS the only remaining craze of the 1930s not yet revived is that of the jigsaw puzzle. If it doesn't happen soon it won't be the fault of the stockmarket (puzzles helped to soothe the nerves as shares tumbled during the Depression), or of Linda Hannas who brings out *The Jigsaw Puzzle Book* with Hutchinson on Monday. It costs £8.95, but for that you get two actual puzzles boxed in with the book and ready to assemble.

One is of Beatrix Potter's Tom Kitten and the other the liner Queen Mary gliding across the Atlantic. You also get in the book, Mrs Hannas' account of how the jigsaw began in the 18th century as a dissected map for teaching children geography. She then shows us how, shedding its governess-like origins, it developed into an adult as well as a juvenile cult. Among dozens of smashing illustrations, there's one of Tony Eccles' 1969 puzzle, "Private and Confidential for adult eyes only"—a calendar nude putting the last piece to a puzzle of Michelangelo's David.

Mrs Hannas names John Spilsbury, an 18th-century mapmaker as the originator, and Raphael Tuck as the man who started the adult market for jigsaws as long ago as 1890. Mrs Hannas has a large collection of her own which provided the basis for an exhibition at the London Museum. When not piecing together one or other of her 500 puzzles, she and her Norwegian husband run an antiquarian book business in Bromley.

Mrs Hannas does not lend her puzzles to private individuals. They are far too valuable for that. Someone who does, and who has more than 4,000 of them, is Mrs C Beves the owner of 'The British Jigsaw Puzzle Library' which has flourished since 1933. All her puzzles are specially cut in wood by her own cutters, and they are aimed at adult solvers who pay £35 a year for the privilege of being able to borrow as many puzzles as they like at any one time. If you want to join write to her at: The Jigsaw Puzzle Library, Old Homend, Stretton Grandison, Ledbury, Herefordshire.

Anthony Curtis

Thread rare

For all those who love Oriental rugs, who would like either to start a collection of their own or to add to an existing collection, there are two treats in store.

This weekend Amanda and Desmond North of The Orchard, Hale Street, East Peckham, Tonbridge, Kent, are holding one of their twice-yearly sales of old Oriental rugs in a marquee in their garden.

The Norths have been collecting rugs for several years and mostly do their buying from private owners as well as an expert in Kabul. They don't have a shop and usually do their selling to private clients but twice a year (in May and in October) they spread out all their stock in two large marquees and invite clients and friends to come and buy.

So this Saturday and Sunday, from 11 am to 6 pm anybody interested can go and view well over 500 antique rugs, runners, carpets, kelims, prayer rugs, camel bags, saddle bags and other woven treasures.

Prices range from about £50 to £750 for rugs and runners and from about £300 to £2,000 for carpets. Telephone East Peckham 871353 for details.

Currently on at Harvey Nichols of Knightsbridge, SW1, until October 17 is a collection of some 350 kelims (one of which is photographed right) in my view among the most attractive though not the most hard-wearing, of Oriental rugs. Most kelims were originally made for the use of the family (when wealth was measured by the size of the herd and the beauty of the family's weavings) and the strong designs and vibrant colours seem to reflect the private pleasure they gave.

Kelims haven't been as commercially valued as the pile carpets from the traditional rug-weaving areas so that it is still possible to find very beautiful pieces at prices that are not exorbitant. At the exhibition prices start at about £25 for very small rugs and go up to several thousand pounds for the rare ones. There is a large selection in the £50 to £350 price range and I can't think of a better way for the newcomer to Oriental carpets to see a large number all at once and perhaps become inspired to start a collection of their own.

ARTS

Afternoon three—and Thomas, too

BY B. A. YOUNG

I listened to three Afternoon Theatres this week, but before I write about them, I must recall Gwyn Thomas, who had a programme devoted to him (*The Voice of Meadow Prospect*) on Radio 4 on Tuesday. I knew Gwyn Thomas when he was writing for Punch in the '50s, and I never knew a man so immediately, and so profitably, friendly—profitably, because he never uttered a sentence that wasn't a pleasure to hear. The programme, presented by John Ormond, called in many of his family and his friends; there were a few recordings of his voice and some readings by Ray Smith that sounded so like Gwyn Thomas I couldn't tell the difference. Someone on the programme thought that there might be a diminution of interest in Gwyn Thomas's work. Let Radio 4 not play any part in such a thing.

Back to Afternoon Theatre, however, to *Weekend with Willie* by Richard Huggett on Monday (repeated from Saturday night), *Marriages*, adapted from Henry James, on Wednesday, and *Long Ago and Far Away* by Ted Allbeury on Friday.

Richard Huggett seems to have a passion for creating puppets representing famous literary people. He is himself playing his own portrait of Evelyn Waugh, which I reviewed in these pages when it was done at the King's Head. *Weekend with Willie* is a more ambitious article; besides Willie himself, beter known to most of us as W. Somerset Maugham, he also purports to present Willie's wife Syrie, his brother Sir Frederick and his friend Gerald Haxton. The result is as lifelike as a Punch-and-Judy show. The story of their relationships is only too well known, and Mr Huggett has compressed it all into a single weekend, when Sir Frederick and Syrie come to the Villa Mauresque with a proposed compromise: Sir Frederick (who became Lord Chamcellor) would try to arrange that the deportation order against Haxton would be revoked, if Maugham would resume married life with his wife.

Puppets all, as they came across in David Johnston's production. David March did sometimes sound a little like Mr Maugham, though with only the faintest suggestion of the stammer. The rest were cartoons.

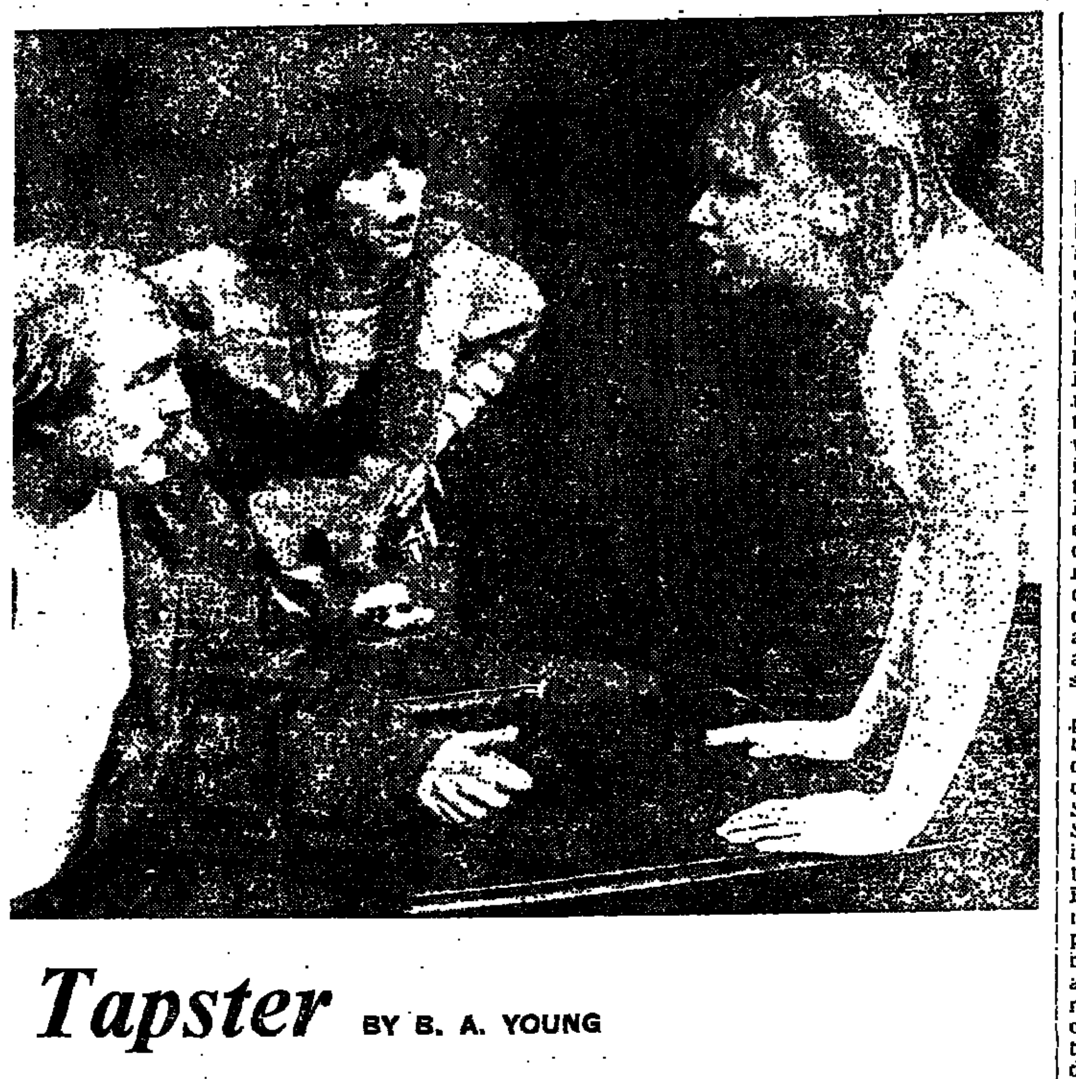
Marriages, skilfully adapted by Hallam Tennyson, is strongly flavoured with Victorian sentimentality, but what a good story it is, and how well it was done under David Spenser's direction. When Colonel Chart's wife dies, leaving him with four children to look after, he not unnaturally proposes to a woman friend likely to make a substitute materfamilias; but his eldest daughter Adela is so against this that she tells Mrs Churchley, her prospective stepmother, that her father had been horrible to her mother, and Mrs Churchley breaks it off. Adela's law-student brother is secretly married, though, and he is relying on Mrs Churchley to help him overcome this obstacle to his life's success. Never mind how it ends; it was full of tension, and admirably played by Petra Markham as Adela, Gabriel Woolf as her father, Margaret Courtney as Mrs Churchley and David McAlister as the prodigal son.

In Mr Allbeury's play, Johnny, a former SOE agent, wants to kill Patrice, with whom he worked in France but who turned out to be a double agent and disappeared, having blown the whole operation. Patrice is now a successful novelist, but Johnny can't forgive him for having done the same kind of work as he did during the war but for the other side. What made an unlikely play more interesting was the long flashback about wartime operations, for Ted Allbeury was in his day a lieutenant-colonel in SOE, and he made this scene live even if the others hardly did.

The last three *Barnes's People* were as good as the first four—Dilys Laye as a housewife who has taken up belly-dancing, Sir John Gielgud as a Roman philosopher anxious to achieve glory by burning himself at the Olympic Games of AD 165, and Judi Dench as a 50-year-old geriatrist reading social workers' recommendations for admission to an old people's home. Lucky Peter Barnes! There hasn't been such casting since H.M. Tennent put on plays by N. C. Hunter.

Arts Council film award and bursaries

The Arts Council has approved a film production award of £1,000 to Patrick Keiller and film bursaries of £500 to Rachel Finkelstein, Lulu Quinn, Stephen Roberts and Martin Sercombe.



Tapster

BY B. A. YOUNG

When Paul Copley is writing for simple characters, he shows much understanding, and their dialogue is natural and even beautiful. When I say "simple," I don't mean unintelligent; Christine and Alison Brook, the two young sisters who help their decrepit father run the Lost Lad, a lonely pub in Yorkshire, are both bright as buttons. But like their father and their brother Thomas, a freelance lorry-driver, they are people who do not see far beyond the consequences of the next thing they do.

When Mr Copley writes for cleverer people he is less certain; Philip Pennington, the teacher who has a shallow affair first with one sister and then with the other, sounds too clever for nature. Even when the Bronks themselves try to be smart, they lose their pristine honesty: "a slight dose of original guilt" is not the kind of thing Alison would be likely to say, even though she has spent two years studying music at university in York—particularly when she has made it clear that she found her fellow-students too intellectual for her.

The activities of the Brook family are mostly as simple as themselves. Christine, the elder daughter, runs the pub, looks after her father and keeps Thomas's accounts, and hopes one day to leave and settle down with Philip. When Thomas hints that Philip's feelings don't extend that far, she ups and leaves for a holiday as long as her savings will last, while Alison, who has walked out of the university, keeps things going with the help of Philip and Thomas. It is all attractively observed: it brought me the same kind of pleasure as bird-watching. The course of events leads to sorrow and ultimately to a kind of resigned joy, once the difficulty of Auntie Ruth (a character of purely transient importance) is overcome.

The company in this production at the Bush is very good. Gabrielle Lloyd and Lesley Clare O'Neill are a well-matched pair of sisters—Miss Lloyd sensible and reserved as Christine, Miss O'Neill, not unlike her physically, but outgoing, less careful. Dicken Ashworth is the simplest of the three as Thomas, a big, cheerful, thoughtless chap who thinks nothing of leaving five coffins in the bar on their way to delivery. David Quilter has the disadvantage of less spontaneous dialogue as Philip, as I said, but there is something pleasantly disarming about his readiness to confess how little he really loves the girls. Allan Surtees plays the father, not quite ga-ga, not far off.

The direction by Baz Taylor is full of neat detail—see how when Christine comes back the tea is served not in mugs but in cups and saucers, a knitted cosy on the teapot. There is a fine set of the bar and lounge by Grant Hicks.

Traverse Theatre's director

Peter Lichtenfels is the new artistic director of the Traverse Theatre, Edinburgh.

He has been interim artistic director at the theatre since Chris Parr left in April this year and was appointed from over 80 applicants. He is 31, was born in Germany and brought up in Canada and first came to Britain in 1973.

The Seven Last Words

BY MAX LOPPERT

The usefulness of the Philharmonia Orchestra subscriptions' scheme in guaranteeing its Festival Hall events a reliable and resilient attendance can be measured artistically as well as numerically: Thursday's concert, containing two orchestral works of relative unfamiliarity by Haydn and Ligeti, of a kind normally liable to empty the hall, instead kept it substantially filled. As the programme was not only relatively unfamiliar but wholly valuable—and a token, among other things, of Riccardo Muti's willingness to explore beyond the confines of concert repertory observed by most of today's superstar conductors—it would be ungenerous indeed not to celebrate its accompanying pleasing features as well as its purely musical successes.

The seven slow movements, preceded by an introduction and brought to a close of sudden drama by a C minor "Earthquake," that make up Haydn's *Seven Last Words of Our Saviour on the Cross*, given here in its original, chamber-orchestral form, add up to what Robbins Landon calls a "connoisseur's work." Its rarity in performance must be explained by the fact that for the average audience member seven slow movements in succession, each of the highest seriousness in tone and substance, with not a drop of superficiality in outline or gesture (Haydn's first "audience" being, of course, the worshippers at the church of Cadiz for whose Good Friday meditations the work was first composed), add up also to something of an ordeal.

"Any fool can see that," might be the Brahms-like retort; but in any case, Thursday's performance did not feel like an ordeal. True, concentration was unremittingly demanded; but it was rewarded, and once safely captured within the exalted, severely restrained framework of the music, the ear started to rejoice in Haydn's magnificent variety, quite as much as it recognised his unifying seriousness of manner. "Slow" is here a loose, catchpenny epithet for movements individually so diverse in mood, dramatising each other by juxtaposed contrast, catching the attention by recurring detail, each meditation a tautly sustained span of thought. Overt drama enters at the end, neither too soon nor too late.

The peculiar distinction of the music was assured by a performance uncommonly committed to the difficult but rewarding task. Muti, it seems to me, properly belongs among nature's classicists. His touch may regularly falter — badly, to my mind — in the 19th century operas of his native land, in the high romance of, say, the later Chaikovsky symphonies; but in the Gluck, Cherubini, and Spontini he conducts there and here (Gluck and Spontini opera in Italy, Cherubini choral music in London), a sharp comprehension of style goes untainted by any desire for self-assertion, any determination to "make an effect." In tone, line, and in unforced amplitude of dynamic range, this was a performance of extraordinary concentration, of finely counselled contours, expertly balanced textures, and warmly (but never self-consciously) appreciative melodic shaping — an act, by conductor and players alike, of rare interpretative unselfishness (in all senses).

Ligeti's *Lontano* (1967), that densely yet delicately woven piece of neo-pointillist orchestral fabric, has been given by Muti and the Philharmonia at previous concerts. Perhaps, in the past, even with a higher degree of finesse — at the start of the evening, the ability to blend and grade soft sounds and silences was not yet wholly ensured, though a good deal of Ligeti's suggestiveness and picturesqueness came through. In between Ligeti and Haydn, Murray Perahia (far less fey and finical than in last week's Festival Hall Mozart) did his considerable best to persuade us that Mendelssohn's D minor Piano Concerto is more than a protracted three-movement session of elegant small talk.

Peer Gynt

BY NICHOLAS POWELL

True to form and reputation Patrice Chereau has brought off a stunning production of Ibsen's *Peer Gynt* to mark his return to the Paris theatre after a five-year stint at Bayreuth with his highly acclaimed Ring. Chereau, working with his usual team—Jacques Schmidt for costumes, Richard Peduzzi for scenery and Andre Diot for lights—has produced Ibsen's entire text for the first time in the history of the theatre. Even Ibsen reckoned it to be unperformable and cut it considerably before submitting it to Greig for the music. The six and a half hour result at the Theatre de la Ville (until December 19) is spread over two evenings, held together by a colossal performance from Gerard Desarthe as Gynt and miraculously sustained by a faultless cast of 25 and a mass of theatrical invention.

Chereau has marked a complete break with the theatrical tradition of the play, not only by producing the entire text in a new lively translation by Francois Regnault but also by ditching Grieg's music—"insipid . . . the sort of thing young ladies play in drawing-rooms," according to Chereau. The new music is by Fiorenzo Carpi. Unlike Grieg's it does not dominate the play but is genuinely incidental and atmospheric.

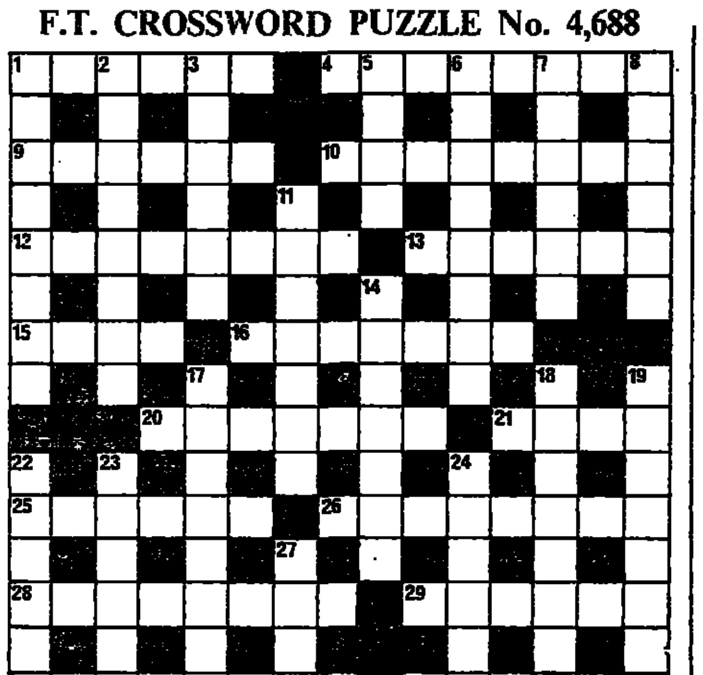
Chereau laughs at the geographical dispersal of the play: North Africa and Egyptian scenes for example are evoked by intense lighting and rapid changes of flats depicting pyramids, a giant sphinx and sand-dunes. The basic set is neutral, representing nothing more specific than a terrace and wall on the left side of the stage and is subsequently multi-purpose. Brilliant use is made of a huge sheet hung over the stage. It drops down to mask scenery changes, or, suitably lit, serves as backdrop to front of stage action.

Chereau's use of movement, minutely worked out to the point of being virtually choreography, creates some extraordinary moments when it coincides with his brilliant stage business. In the Act 5 scene of a shipwreck for example, a sheet falls down like a curtain as ship scenery shoots into the ceiling, then spreads out over the stage, blown into a billowing "sea" by a wind machine. Peer Gynt appears clinging to an upturned boat in the middle.

Such business stops the 6½ hours from ever dragging even if Chereau's ideas are insufficient to keep the last scenes, densely written and intrinsically theatrical, afloat.

In an intensely poetic, dream and nightmare-like production, Chereau has given the lie to Bernard Shaw who gave the 1896 Paris production of *Peer Gynt* a grouchy review on account of its cuts and the "encores" for Grieg's music. Such a massive work, concluded GBS, could only be handled at . . . Bayreuth.

F.T. CROSSWORD PUZZLE No. 4,688



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

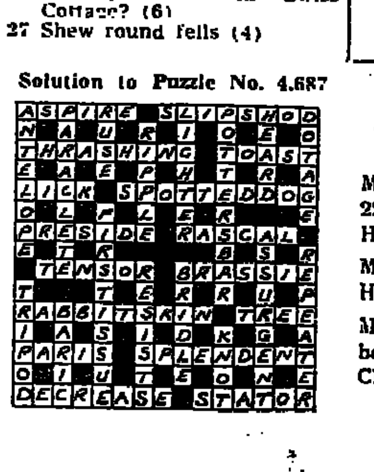
ACROSS

1 It had two big banks in row (6)
4 Here's hoping I spring a surprise (8)
9 Mall—a sort of drive (6)
10 Leftovers of the mad Svengali (8)
12 Bowler's appearance is improved by its strokes (3-5)
13 Time children produced a paper (6)
15 Members of legends? (4)
16 Shrill cry of a peeping Tom? (3-4)
20 Tool for pine woodcutter (7)
21 Fairy from Upper India? (4)
25 Team appearing one by one (6)
26 How is Ben disposed to a merrythought? (8)
28 Dressed like a scout (8)
29 Whitest of men out on bail (6)
30 Carelessly bold sort of hit and run (8)
31 Plastered and pebble-dashed (6)

DOWN

1 Square haircut, bleached, makes an American quail! (3-5)
2 Green not ordered for the X-ray man (8)
3 Motorway learner taking ring road, that is the rich Englishman abroad (6)
5 Stage in bringing up hamsters, etc (4)
6 Cajole and give Neil excitement (8)
7 Charge a bit? (6)
8 Fuel outlet in U.S. petrol aircraft (3-3)
11 Bush from Spain? (7)
14 Pacific State producing cocaine (7)
17 Carte-blanche drawn without instruments (8)
18 One divan broken—one from 19? (8)
19 18 place? Stay by car! (8)
22 Skin trouble among other pestilential things (6)
23 Could be a steep amount to charge abroad (6)
24 Tea permitted in Swiss Cottage? (6)
27 Shew round fells (4)

Solution to Puzzle No. 4,687



TV/Radio

BBC 1

† Indicates programme in black-and-white

8.05-8.30 am Open University (Ultra high frequency only). 9.05 Play Golf. 9.30 Multi-coloured Swap Shop. 12.27 pm Weather.

12.30 Grandstand: Football Focus (12.35); Prix de l'Arc de Triomphe Preview from Paris; Racing from Chepstow (1.20, 1.50, 2.20, 2.50); Rally Cross (1.40, 3.10); The Lloyds and Scottish British Championship Final; Crown Green Bowling (2.10, 2.40, 3.25); John Player Champions Trophy 1981, 3.45 Half-time football scores and reports: Rugby League (3.55): Castleford v Bradford Northern: 4.35 Final Score.

5.10 Kung Fu.
6.00 News.
6.10 Sport/Regional News.
6.15 Larry Grayson's Generation Game.
7.10 Juliet Bravo.
8.00 Mike Yarwood in Persons.
8.30 Flamingo Road.
9.20 News and Sport.
9.35 Parkinson.
10.35 Match of the Day.
11.35 House Calls.

All Regions as BBC 1 except as follows:—

Cymru/Wales — 6.10-6.15 pm Sports News Wales.

Scotland—4.55-5.10 pm Scoreboard. 6.10-6.15 Scoreboard. 10.35-11.35 Sportscene from Scotland. 12.00 News and Weather for Scotland.

Northern Ireland—5.00-5.10 pm Scoreboard. 6.10-6.15 Northern Ireland News. 12.00 News and Weather for Northern Ireland.

England—6.10-6.15 pm (South-West only) Saturday Spotlight.

BBC 2

7.40-8.05 am and 8.30-1.55 pm Open University.
†2.00 Saturday Cinema Double Bill: "Sunny Side Up," starring Janet Gaynor.
3.35 "A Star Is Born," starring Janet Gaynor.
5.45 Maureen.
6.15 Kings of the Castle.
7.00 News and Sport.
7.15 Gala Night at the Kirov.
8.55 Shakespeare in Perspective.
9.20 Alec Guinness in "Tinker, Tailor, Soldier, Spy."
†10.05 The Bill Douglas Trilogy: "My Way Home."
11.15 News on 2.
11.20-12.55 am Midnight Movie: "The Producers," starring Zero Mostel and Gene Wilder.

LONDON

8.35 am Sesame Street. 9.35 Joe 90. 10.00 Clapperboard.
10.30 Tiswas.
12.30 pm World of Sport: 12.35 On the Ball: 1.00 Australian Rules Football: 1.15 News: 1.20 The ITV Six from Newmarket and Haydock: 3.10 Darts—The 3rd World Cup from New Zealand: 3.45 Half-time Soccer news and reports: 4.00 Darts—3rd World Cup: 4.50 Results.
5.05 Metal Mickey.
5.35 News.
5.40 The Pyramid Game.
6.10 Game for a Laugh.
7.00 Punchlines.
7.35 Take a Letter Mr Jones.
8.05 Vegas.
9.00 News.
9.15 "Julia," starring Jane Fonda, Vanessa Redgrave and Jason Robards.
11.25 Johnny Carson's Tonight Show.
12.45 am Close: Personal Choice with Shirely Williams.

All IBA Regions as London except at the following times:—

ATV

9.10 am A Better Road 9.35 Welcome Back Kotter. 11.25 pm Portrait of a Legend, hosted by James Darren, who pays tribute to Olivia Newton-John.

BORDER

9.10 am A Better Road 9.35 The Flying Kiwi. 8.05 pm Hagen.

CHANNEL

11.25 pm Hammer House of Horror (Rude Awakening). 12.20 am Weather.

GRAMPIAN

9.10 am Joe 90. 9.35 Cuir Car. 8.05 pm Hawaii Five-O. 12.25 am Reflections.

GRANADA

9.35 am Joe 90. 8.05 pm The Streets of San Francisco. 11.25 The Palace Presents Jack Jones introduces Diahann Carroll. 12.20 am Hammer House of Horror.

HTV

9.10 am Target Bowls. 9.35 The Further Adventures of Oliver Twist. 12.28 pm HTV News. 5.39 HTV News. 8.05 Hawaii Five-O. 11.25 Lou Grant.
HTV Cymru/Wales—As HTV West except: 5.05-5.35 pm Ras Sgwar.

SCOTTISH

9.05 am A Better Road. 9.35 Welcome Back Kotter. 11.25 pm Late Call. 11.30 Musical Special—Guitar.

SOUTHERN

9.00 am Thunderbirds. 9.57 Regional Weather Forecast. 11.25 pm Southern News. 11.30 Paris.

TYNE TEES

9.00 am Cartoon Time. 9.15 Hercu-loids. 9.40 Thunderbirds. 5.40 pm North-East News. 11.25 The Monte Carlo Show, starring Neil Sedaka. 12.20 am Three's Company.

ULSTER

1.18 pm Lunchtime News. 5.00 Sports Results. 5.38 Ulster News. 8.05 The Incredible Hulk. 9.14 Ulster Weather. 11.25 Bedtime.

WESTWARD

9.25 am Look and See. 9.30 Stingray. 9.56 Gus Honeybun's Birthdays. 12.27 pm Westward News. 8.57 Westward News. 11.25 Hammer House of Horror. 12.20 am Faith For Life. 12.25 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am A Better Road. 9.25 Cartoon Time. 9.35 Sha Na Na. 11.25 pm Hammer House of Horror. Julia Foster, Dinah Sheridan, Richard Pearson, James Cosmo and Norman Bird in "The Thirteenth Reunion."

RADIO 1

‡ Medium Wave
(S) Stereophonic broadcast

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert (S).
VHF Radios 1 and 2—5.00 am With Radio 2. 1.00 pm With Radio 1. 7.30 Big Band Special with the Radio Big Band (S). 8.00 Country Greats in Concert (S). 10.00-5.00 am With Radio 2.

RADIO 2

5.00 am Tony Brandon with The Saturday Early Show (S). 7.30 David Jacobs presents Star Sounds (S). 9.30 Pete Murray's Open House (S). 11.00 The Kenny Everett Show (S). 1.00 pm Punch Line. 1.30 Sport on 2. Football: second-half commentary (at 3.55) on a top game of the day; Racing from Newmarket, plus the rest of the afternoon's results; Tennis from Buenos Aires: Davis Cup. 5.00 Classified Football Results: 5.45 Classified Racing Results: 5.50 Latecomers Football Check. 6.00 Country Style. 7.00 Jazz Score. 7.30 Davis Cup Special from Buenos Aires. 10.00 Nordring 1981 (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 4.15 The Polignac Salon (S). 5.00 Jazz Record Requests with Peter Clayton (S). 5.45 Critics' Forum. 6.35 Piano Ducts (S). 7.15 The Pinconhola (story by Stephen Butler). 7.30 "The Duenna," opera in three acts by Robert Gerhard: Act 1 (S). 8.35 Joaquin Miller (Portrait of the American 19th-century poet). 9.05 "The Duenna." Acts 2 and 3 (S). 10.25 Gustav Leonhardt organ recital (S). 11.00 News. 11.05-11.15 Nielsen (S).
VHF only—Open University: 5.55-7.55 am and 11.15-11.55 pm; and for students in Scotland, Wales and Northern Ireland only: 11.55 pm-12.55 am.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.50 Breakaway. 9.50 News Stand. 10.05 Conference Special. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 I'm Sorry I Haven't a Clue (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-minute Theatre. 3.00 Medicine Now. 3.30 Profile (Richard Branson, pop entrepreneur). 3.50 Enquire Within. 4.00 Prefaces to Shakespeare. 4.30 Does He Take Sugar? 5.00 Going Solo. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Fighting Talk. 11.00 Lighten Our Darkness. 11.15 Not the Hills of Rome. 12.00 News.

BBC RADIO LONDON

5.00 am As Radio 2. 7.30 News. 7.32 Gone Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.00 News. 10.03 Stuart Colman with "Echoes." 11.30 The Robbie Vincent Show. 2.00 pm Breakthrough. 4.00-5.00 am Join Radio 2.

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 9.00 Countdown with John Sachs. 12.00 Dave Cash's Cash Country. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards's Soul Spectrum. 8.00 The Sounds of a City. 9.00 Capital Re-cap. 10.00 Roots Rockers. 12.00 Midnight Special.

TV RATINGS w/e Sept. 27

UK TOP TENS

BBC 1

1 The Paul Daniels Magic Show; 2 Juliet Bravo; 3 Larry Grayson's Generation Game; 4 Chisum; 5 Blankety Blank; 6 Top Of The Pops; 7 Fanny By Gaslight; 8 Mastermind; 9 Rosie; 10 Flamingo Road.

ITV

1 Coronation Street (Mon) (Gran); 2 Benny Hill (Thames); 3 Coronation Street (Wed) (Gran); 4 Never The Twain (Thames); 5 Only When I Laugh (Yorks); 6 The Krypton Factor (Gran); 7 Earthquake (ITV); 8 The Morecambe And Wise Show (Thames); 9 Keep It In The Family (Thames); 10 The Professionals (LWT).

BBC 2

1 Songs Of Europe; 2 Secret Army; 3 Burt Lancaster in Trapeze; 4 A Kick Up The Eighties; 5 Fame; 6 The World About Us; 7 One Way Ticket To Hualampong; 8 The Song Of Bernadette; 9 International Darts (Sun); 10 International Darts (Thurs).

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	Carson Anniversary (NBC)	28.0
2	Monday Night Football (ABC)	24.3
3	Hope Comedy Special (NBC)	22.7
4	Three's Company (ABC)	22.1
5	Laverne and Shirley (ABC)	20.9
6	60 Minutes (CBS)	20.6
7	Dukes of Hazzard (CBS)	20.1
8	Too Close for Comfort (ABC)	19.3
8	Walt Disney's Love Bug (CBS)	19.3
10	Happy Days (ABC)	19.1

CHESS SOLUTIONS

Solution to Position No. 391

1 Q-K5 (stops Black checks), PxP; 2 P-K7 (threat 3 Q-N7 mate or 3 P=Q ch), K-B2; 3 P-Q7, Resigns. If QxP; 4 Q-B6 ch, K-K1; 5 Q-B8 mate.

Solution to Problem No. 391

1 N-B8. If 1 . . . K-Q4; 2 N-K7 ch, K-B4 (or K-K3; 3 B-B5 mate); 3 Q-N1 mate. If 1 . . . B-B2; 2 QxB, K-B3 (else 3 QxP); 3 Q-K7 mate. If 1 . . . B-R2; 2 Q-K7 ch, K-Q4; 3 QxP mate. If 1 . . . P-Q4; 2 Q-K7 mate.

Solution and Winners of Puzzle No. 4,682

Mrs Jane Gower, Nassaulaan 13, 2364 CR. Leidschendam, The Hague, Netherlands.

Mr G. Heath, 5 Chesnut Close, Hockley, Essex.

Mr D. Marsh-Smith, 128 Guisborough Road, Nunthorpe, Cleveland.

COLLECTING

Romantic glimpses of the glory of ancient Greece

BY JUNE FIELD

The specific quality of Athenian landscape is light—not richness or sublimity or romantic loveliness or grandeur of mountain outline, but luminous beauty, serene exposure to the airs of heaven . . .

Sketches and studies in Italy and Greece, 1898 John Addington Symonds.

FROM THE EARLY 17th century Greece was a happy hunting-ground for antiquarians whose agents bought antiquities for wealthy collectors such as the Earl of Arundel who, as Henry Peackam observed in the *Complete Gentleman*, 1634, intended to "transplant old Greece into England." But it was the 19th century Romantics, travellers and ex-patriates who really discovered what Saverio Scrofani in 1799 called "this majestic theatre where so many glorious deeds were done."

There was Byron at Missolonghi revealing in *Childe Harold's Pilgrimage* (1812) that Greece was no longer the deserted abode of nymphs or muses — "Thy vales of evergreen, thy hills of snow Proclaims thee Nature's varied favourite now . . ." — and the French consul at Athens from 1803, French artist François Sébastien, with his house virtually a museum full of vases, sculptures, inscriptions and plaster casts from the sculptures of the Temple of Alphaea. And classical scholar and collector, Edward Dodwell, had such a nostalgia for the history and custom of the ancients that he returned from Greece in the early 1800s with 1,000 sketches, 400 of his and 600 acquired from the Italian artist Simone Pomardi. Artist Hugh William Williams (1773-1829) became so closely associated with Greece that he was nicknamed "Grecian" Williams.

Somewhat earlier, in 1751, James "Athenian" Stuart and his collaborator Nicholas Revett, backed by the Society of Dilettanti, the club of aristocratic connoisseurs whose aims was to promote the Grecian taste, went to Athens to examine monuments and make excavations. The results were published as *The Antiqities of Athens*, in which Stuart's painting of himself sketching the Erechtheum was subsequently re-engraved. In *The Rediscovery of Greece: Travellers and Painters of the Romantic Era* by Fani-Maria Tsigakou just published by Thames and Hudson, Revett's description of the task is quoted: "The Turkish Gentleman smoking a long pipe . . . was accustomed to visit us from time to time, to see that we did not mischief to the Building; but in reality, to see that we did not carry off any treasure: for he did not conceive any other motive could have induced us to examine so eagerly what was under the ground in his Castle . . ."

Other quotations captioning the illustrations make the book the most human of art dissertations: "Before sitting down to dinner . . . we performed the ancient ceremony of washing the hands. A tin basin is taken round to all the company, the servant holding it on his left arm, while with his right hand he pours water from a pewter vessel . . . the dish in the middle of the table is *pilau* . . . the circular cakes, which are a fine kind of bread, are named *colouri*." This partners the Dodwell watercolour, *Dinner in a Greek House at Crissa*, 1801.

Edward Lear (1812-1888) who gave painting lessons to Queen Victoria, visited Greece in 1848-49, and spent almost every winter from 1856-1863 in Corfu, admitting: "It appears to me more and more that my painter's reputation will be that of a painter of Greek Scenery principally." Giorgio, his faithful Greek servant, tended and travelled with him for 30 years. (Lear was prone to epilepsy almost every other day.) The illustrations of his work reveal the warm, lazy, luminous colours of the Ionian Islands (Corfu, Paxos, Leucas, Cepphalonia, Ithaca and Zante), which extend in a chain opposite the coast of low Albania, Epirus and Acarnania, while Cythera is opposite the southern coast of the Peloponnesus.

Of his view of Argostoli in Cephalonia, oil on canvas, Lear wrote in *Views in the Seven Ionian Islands*, 1863: "The foreground is a path of grey rocks, where the lentisk grows and the broad-leaved squill abounds, and thence groves of olives cover the slopes to the city below."

The painting is part of a group of 30, from a collector in Paris who began assembling 19th-century Greek works some 20 years ago. They form part of the evocative exhibition "A Journey Through Greece" at the Fine Art Society to launch the book, which opens on Monday until October 30; it was a result of their Grecian exhibition in June 1979 that Thames and Hudson commissioned Miss Tsigakou, Keeper of Prints and Drawings at the Benaki Museum, Athens, to write the book.

Also on show will be a complete set of 40 hand-coloured lithographs by Louis Dupré (priced between £500 and £1,250) and 12 extremely rare aquatints by Joseph Cartwright, Paymaster-General to the British Garrison in Corfu, 1816-1820, £2,000 each, Lear watercolours and drawings from £900 to £8,500, and some works by Thomas Hartley Cromek, who gave drawing lessons to Lear in Florence in 1837.

Of allied interest is Sotheby's sale of "British Watercolours and Drawings of Greek and Near Eastern Interest" on Friday, October 16, with works by "Grecian" Williams (a pair of watercolours of the Parthenon, estimated at £300-£400), a Cromek watercolour of a figure seated on the Acropolis, £400-£600, and several of Lear's lithographs from about £200, to £2,000-£3,000 for a Corfu watercolour.

The 1979 exhibition catalogue, £1.50 including postage, and *The Rediscovery of Greece* (Thames and Hudson) £16 plus £1.50 postage from Mr Tony Carroll, director, Fine Art Society, 148, New Bond Street, London, W1. Sotheby's sale catalogue, £2.50 from Mr James Miller, Sotheby's, 34-35, New Bond Street, London, W1. Facsimile, first edition 1863: *Views in The Seven Ionian Islands* by Edward Lear, £60 post free from Hugh Broadbent, Avegard Broadbent and Co., Spring Lane, Lees, Oldham, who will also send a free specimen plate.

Large portrait painting of a member of the Strozzi family in Byronic pose, by Giuseppe Sabatelli (1813-1844), in the exhibition "A Journey Through Greece," which opens at The Fine Art Society on Monday until October 30 at 148 New Bond Street, London, W1, to launch Fani-Maria Tsigakou's book The Rediscovery of Greece: Travellers And Painters of the Romantic Era, just published by Thames and Hudson

GARDENING

Ways of keeping warm in the winter

BY ARTHUR HELLYER

THE TIME has arrived when one must begin to think about plants which may not survive the winter outdoors. No hard and fast list can be prepared for all times and places since the severity of the winter not only varies greatly from year to year but also in different places in the same year. Nor is it a simple matter of north or south, east or west though it is broadly true that, near the coast, the west enjoys milder winters than the east because of the influence of the Gulf Stream drift and that inland the south is usually warmer than the north.

But altitude also comes into it, and in garden terms that means anything over 500ft, for such levels are considerably colder in the long term than nearby gardens at lower levels. There is also the fact that hollows and valleys, apparently sheltered and safe, can be frost pockets particularly in late winter and early spring when cold air flows down into them.

Yet another consideration is how much risk one is prepared to take. Last winter, because of the high cost of fuel, I only brought my best bedding geraniums into a little heated greenhouse and risked the rest in a larger unheated house. The gamble came off even though the temperature in the unheated house fell below freezing point on numerous occasions and all the plants were damaged to some extent as a result. But I had replanted them fairly deeply directly in the greenhouse border and this had protected the basal growth which grew away strongly in the spring. I shall take the same risk again this year but I may not be so lucky.

In mild coastal gardens I see no particular need to lift dahlias and gladioli every autumn except as a protection against slugs, snails and other soil pests or excessive moisture. Even in my very cold inland garden I leave surplus dahlias in the ground in the hope that some will survive and last winter I do not think I suffered more than one or two losses. Frosts, though occasionally quite sharp, were never very prolonged and the covering of three inches or more of soil over the tubers was sufficient to protect them. But I did lift and store sufficient roots for splitting up and replacement had that been necessary and I would always recommend that this be done except, perhaps, in the very mildest places. After all dahlias are amongst the easiest of plants to overwinter in a frost-proof place since it does not matter if it is also dark. My own go into the loft which can also be a suitable place for the dry corms of gladioli and the tubers of begonias.

Fuchsias are always a bit of a problem because, although the experts split them into hardy and greenhouse kinds, there cannot be any hard and fast dividing line between them. What actually exists is a continuous gradation in degree of tenderness from kinds such as *Fuchsia magellanica* and its offspring *Gracilis* and *Riccartonii* at the hardiest end to large flowered varieties such as Sophisticated Lady and Texas Longhorn at the tender end.

However, in this matter nurserymen tend to err on the side of caution and those that they list as hardy usually can be left outdoors safely in all but the coldest gardens. Some may be cut to ground level if the weather is severe but will almost certainly shoot up strongly from the roots the following spring. It is those that are not listed as hardy but are often seen outside that may puzzle one a bit. Extra protection can be given by planting rather deeply and giving a further covering of an inch or so of peat in early winter. However I would not recommend this for young plants which had not had time to build up strong crowns and make good woody root systems as they might find it too smothering.

Coprosmas, which are evergreen shrubs mainly from New Zealand, have been appearing in increasing numbers in nurseries and garden centres and I daresay have sold well because some of them, especially those with variegated leaves, are very handsome. I have one which I purchased as Golden King in which the lustrous leaves are largely cream with an irregular blotch of laurel green in the centre and others I have noted on sale are Marble Queen, Beatson's Gold and Brunette. No doubt many gardeners who have them will be wondering, as I am, just how hardy they are. Firm information on this point seems scarce but to me they look like borderline plants, probably reasonably safe in maritime gardens and many sheltered patios but at risk in colder places. I shall certainly play safe and overwinter my plant this year in my unheated greenhouse.

Griselinias, which are also handsome New Zealand evergreens, have a reputation for tenderness which I have not found entirely justified since a large bush of the normal yellowish-green leaved type has survived outdoors in my garden for years. I am not so sure about the variegated varieties, especially what appears to be a new and very handsome one with heavily cream variegated leaves which I purchased recently at the Royal Horticultural Society's selling centre at Wisley under the name Bantry Bay. I have yet to find any information about this and it will go into the greenhouse this winter, only being risked outdoors when I have rooted cuttings as possible replacements.

A good many plants will survive quite a lot of cold if they are sheltered from wind, and I find one of the best protective materials is the very fine mesh nylon netting sold for greenhouse shading. One can fashion cylinders of this to slip over or wrap around shrubs, or it can be draped over plants trained against walls or fences which themselves provide a lot of protection. Often a wall or fence facing west or south-west is the safest place of all, since it shields the plants from the bright morning sunshine that can often follow a clear, frosty night, and seems on occasion to be actually more damaging than the frost itself.

Quite a lot can also be done with rooms, sheds and garages. Lack of light is then often the major problem, but it is possible to overwinter many plants if one keeps the watering level rather low and possibly stands the plants outdoors by day when there is no risk of frost. The various angel's trumpets, with large, dangling flowers, which have become so popular as container plants for terraces and patios, are among the many plants worth taking a little trouble to overwinter, since good specimens cost a lot. The large-flowered African lilies, which are safe outdoors near the sea, can be overwintered in a similar way in colder gardens, but the smaller flowered *Agapanthus campanulatus* and related Headbourne Hybrids are sufficiently hardy to be left permanently outdoors in most places. It is those kinds that are evergreen that seem to be most at risk and those that are fully deciduous that are usually safe.

We're in the money

GOLF

BEN WRIGHT

BERNHARD LANGER'S easy victory in the Bob Hope British Classic that created a new European money-winning record of £81,036 adds a little much-needed credibility to next week's Suntory World Matchplay Championship at Wentworth. Langer, 24, the first German king of European golf and already a player of true world class, will meet—in the second semi-final—the winner of a fascinating first round clash that pits Tournament Player's Champion Brian Barnes against the fiercely competitive American Ray Floyd in a clash of golfing heavyweights.

Floyd told me earlier this week that he would honour his commitment to play in England despite the fact that by doing so it could cost him as many as three coveted trophies available every season on the once again newly named Tournament Players' Association tour in America. Floyd earned $7,500 when he tied for eighth place in last week's Hall of Fame Classic in Pinehurst, North Carolina, and so crept to within $1,000 of the current leader Tom Kite—$355,724 to $354,926—if you please! Kite sat out the Hall of Fame event anxiously waiting for his wife Christy to present him with their first child, and at the time of writing is still waiting.

And so a hitherto unprecedented four man race for the Arnold Palmer trophy for the leading money winner, the U.S.PGA Player of the Year award and the Vardon Trophy for the lowest stroke average will only be settled in the last tournament, the Pensacola Open in Florida two weeks from now. Third placed Tom Watson ($345,660), whose recent form has been largely disastrous, and fourth placed Bruce Lietzke ($334,991) appear to have good chances of overtaking Kite and Floyd, since neither is involved at Wentworth, and are free to play in the Texas and Southern Opens this weekend and next. Lietzke's stroke average in second place in the Vardon Trophy standings is 70.10 to the 69.94 of Kite and Floyd's 70.23 in third place.

In the struggle for the just as coveted Player of the Year title the leading money winner gets 20 points, the second 18, the third 16 and so on, and the same points spread is used in the stroke average table. So Watson, with 83 points already, Floyd (74) and Lietzke (66) appear to hold the best hands, unless Bill Rogers (60), who is also involved at Wentworth, wins both the Texas and Pensacola Opens—victories in ordinary tour events earn 10 points apiece—since he is currently placed only fifth in the money list with $270,411. It is all rather complicated and more exciting at this late stage of the season than ever before.

Of the four major title winners Masters champion Watson and USPGA champion Larry Nelson are missing, and no World Championship with a field of 12 can be valid without all four—for a start. European Open Champion Graham Marsh is also excluded, which is similarly absurd, but Marsh's opposition to the payment of appearance money to, amongst others, members of the stable of agent and manager Mark McCormack, is well known. Sandy Lyle, runner-up to Norman in last year's Suntory final is overlooked, but he has only just switched to McCormack's stable.

Japan's Isao Aoki, runner-up to Rogers in the 1979 final, is currently 81st on the American money list. But he will meet Gary Player of South Africa, whose last of five victories in the event was recorded in 1973, and who is not in the top 100 money winners in America, for the right to meet Rogers at the top of the bottom half of the draw. Texan Ben Crenshaw is a lowly 24th on that American list but he will meet Nick Faldo for the right to face U.S. Open Champion David Graham in the final quarter final.

At the top of the upper half of the draw Hale Irwin, twice a winner at Wentworth, not to speak of his two U.S. Open victories, meets Ballesteros in another grudge match—there is little love lost between the two—to earn the right to challenge Norman, the defending champion. It is in reality a series of exhibition matches, but as usual it will be a lot of fun for spectator and viewer alike. And that, as they say is the bottom line.

For the better in my opinion a well rested, straight-hitting Irwin should wear down the wayward Ballesteros, who is suffering from lack of competition. Irwin may also take out Norman, who is plainly tired after a very hard season. Floyd should account for Barnes, but I fancy Langer will be too long and relentlessly straight for the American.

Aoki should account for Player, and Rogers is now a class above the Japanese No 1. Likewise a fresh Graham should have the class and determination to eliminate either Crenshaw or Faldo, probably the former.

In the semi-finals I expect Irwin to beat Langer eventually in their war of attrition, and Graham to be similarly narrowly shaded by the ever improving Rogers. Rogers may beat Irwin in the final, and Graham could deprive Langer of third place. But just as surely I could, and probably will be very wrong. That is the fascination of the event.

Bernhard Langer: first German King of European golf

BRIDGE

E. P. C. COTTER

TODAY'S hands are both concerned with defensive problems. The first occurred in a rubber bridge game in which I was playing with three friends, all first class performers. We might call this *Playing It Down*:

N
♠ K J 9 4
♥ 7 4
♦ K Q 10 2
♣ Q 9 3

W
♠ 8 2
♥ 10 8 6 5 2
♦ A 7 5
♣ 7 6 4

E
♠ Q 10 7 5 3
♥ K Q J
♦ 6 4
♣ 10 8 2

S
♠ A 6
♥ A 9 3
♦ J 9 8 3
♣ A K J 5

North dealt with neither side vulnerable, and after two passes South opened the bidding with one no trump, which was raised to three no trumps by his partner, and all passed.

My partner in the West seat led the five of hearts, and when my Knave was allowed to hold, I started to do my homework. To defeat the contract, partner must hold a five-card heart suit in addition to the diamond Ace, or one of the two top honours in clubs.

I had my finger on the King of hearts, when I suddenly woke up. Such a return would mark me with an original holding in hearts of King, Queen and Knave, and would alert the declarer—who was my friend and frequent partner, Lewis Ellison—to win with his Ace and block the suit, if West had led from five cards. South would then be able to dislodge my partner's presumed entry before the heart suit was cleared, and the contract would be made. Instead of this *bêtise* I returned the heart Queen, declarer, of course, held up, and I continued with the King to South's Ace, and my partner waited patiently to take his diamond Ace, and defeat the contract with his two established hearts.

I enjoyed bringing off this coup but I was brought up short by the sobering reflection that I might have missed it on other occasions by playing too quickly. Against an average declarer you might get away with the King play—he would hold up until the third round automatically.

You can, of course, play the Queen at trick one and the King at trick two. Whichever you do, you will see your partner's face light up at the third trick when you produce the honour which you have denied.

My next hand comes from a duplicate pairs event—let us study *Double Jettison*:

N
♠ A K 5
♥ J 8 4 2
♦ 9 5
♣ K J 9 6

W
♠ Q 3 2
♥ A 10
♦ K Q 10 8 6 3
♣ 5 3

E
♠ 10 8 7 4
♥ K 7 6 3
♦ J 7 4
♣ 8 7

S
♠ J 9 6
♥ Q 9 5
♦ A 3
♣ A Q 10 4 2

At a love score South dealt and bid one club, West overcalled with one diamond, and North made a temporising bid of one heart. South rebid one no trump, which North raised to three, and this became the final contract.

West led the diamond King, East dropped the seven. South won at once, and ran five rounds of clubs. Most Wests found the discarding too much for them, and three no trumps was made at many tables. One West, however, felt that he must keep his spades intact, but also felt that it was essential to retain four diamonds, so he jettisoned not only the heart ten but the Ace as well, trusting his partner, who had discarded the seven of hearts, to hold the King.

The declarer tried to throw West in with a diamond and force a spade lead away from the spade Queen, but East took the trick with his Knave, cashed the heart King, which enabled his partner to part with a spade, and defeat the contract with three more diamonds.

CHESS

LEONARD BARDEN

A VERY interesting yet underpublicised world chess competition is the tele-olympiad or world telex cup between national teams, staged every four years. Games in this eight-a-side event have to be played by a recognised form of telecommunications.

The inaugural competition was won by the USSR, who beat East Germany in the final. A match with the Russians should be a great attraction, but there has been a smaller entry for the second telex cup than for the first. In the opening round Scotland beat Norway, Finland surprisingly defeated West Germany, and England won against Israel. Quarter-final pairings are England v Iceland, Scotland v USSR, Finland v Sweden, and East Germany v Poland.

The England v Israel match took place a fortnight ago at Bank Leumi's offices in London and Tel Aviv, and co-sponsored by Duncan Lawrie. It revealed some hazards of this type of competition. Move transmission, provided by the bank's telecommunications link, was instantaneous, but the process of transmitting the moves between the telecom centre and board was not. The time schedule — eight to nine hours per match — recognises the problem but does not completely overcome it. Apparently the Tel Aviv end of the match took place on two floors of the building, so that the move messengers had a long way to go. The result was play at four moves an hour, and a couple of games went for adjudication after only 26 moves on each side.

The marathon sitting also caused special problems for players. In London the discussions centred less on whether Mestel's opponent knew he was in a prepared variation than on whether it was permissible for players to leave the venue (contrary to FIDE rules) for a Wimpy bar, and whether after that hamburgers could be brought into a kosher playing site.

Only three games were finished, but they virtually settled the match. Nunn beat Grunfeld on top board in only 24 moves, Speelman drew, and Mestel won. Later, Bellin resigned. When the remaining games are adjudicated, England should win between 4½-3½ and 5½-2½.

Complete duplication of chess games is very rare, except for a few basic opening traps which claim an annual quota of victims. But sometimes both sides are ready for a controversial variation and then the game can become an analytical "battle for the truth." What is surprising about this week's game is that the loser, Yakob Murey, a former Korchnoi aide, is well booked up and would normally know a widely publicised brilliancy of his opponent's. But he repeated Mestel's earlier game for 22 moves, failed to find an improvement, and became another victim of the "Dragon variation" where the young English masters are the acknowledged world specialists.

White: Y. Murey (Israel). Black: A. J. Mestel (England). Sicilian Defence (Dragon variation), telex cup 1981.

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-KN3; 6 B-K3, B-N2; 7 P-B3, 0-0; 8 B-QB4, B-Q2; 9 Q-Q2, N-B3; 10 0-0-0, R-B1; 11 B-N3, N-K4; 12 P-KR4, P-KR4; 13 B-N5, R-B4.

So far all well-known book. Now White launches a tactical thrust designed to exploit a possible pin on the Queen's file.

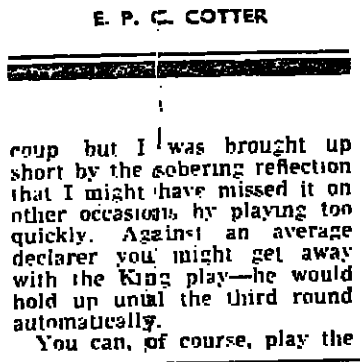
14 P-N4, PxP; 15 P-B4, N-B5; 16 Q-K2, P-N4; 17 P-K5, PxP; 18 N(4)xP, NxP! (the counterstroke, exploiting the underprotected white knights); 19 KxN, Q-R4; 20 RxB, NxR; 21 BxKP, RxN (B6)! 22 NxR, PxP.

Black has only two pawns for a bishop, but the long diagonal pin and passed pawns count for more. In Westerinen-Mestel, Esjberg 1979, the continuation was 23 Q-B4, N-N3; 24 Q-N4, QxQ; 25 BxQ, R-B1; 26 R-KB1, P-B6; 27 P-R4, R-B5! 28 BxR, NxB ch; 29 K-B1, B-R3 ch; 30 K-Q1, N-K6 ch; 31 K-K1, NxP ch; 32 K-B2, NxB and Black's K-side pawns were soon decisive. Murey tries a different end-game, but the outcome is a speedier defeat.

23 Q-Q3, R-K1; 24 R-K1, N-K4; 25 RxN, QxR; 26 B-Q5, QxN ch; 27 Q-Q5, BxQ ch; 28 KxB, R-B5; 29 B-Q5, R-Q1; 30 BxP (B4), RxB; 31 BxP, P-B4; 32 R-K8, P-B5; 33 R-K2, R-R3; 34 R-K4; 35 B-N5, K-K3; 36 Resigns. Black wins easily by infiltrating with his king to support his passed pawn.

POSITION No. 391

BLACK (7 men)

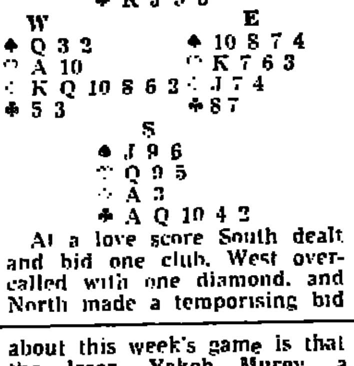


WHITE (7 men)

Korchnoi v Tal, USSR championship 1962. This position decided first prize in one of Korchnoi's best results before he defected from the Soviet Union. As White (to move) he has powerful passed pawns but Tal's own queen's side attack looks equally dangerous. How should the game go?

PROBLEM No. 391

BLACK (3 men)



WHITE (4 men)

White mates in three moves at latest, against any defence (by Dr J. Bronowski, Czechoslovakia 1935).

Solutions Page 12

PUBLIC NOTICE

HAMPSHIRE BILLS

£10m Bills from 30th September, 1981 to 30th December, 1981 at 15⅝%. Applications £75m. £8m outstanding.

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Saturday October 3 1981

The politics of the dollar

THE LAST two weeks have been bad for proponents of the market economy, both at home and abroad. The persistently high level of U.S. interest rates, and continuing speculation on a realignment within the European monetary system, have left sterling dangerously exposed, and the Government has felt compelled to undo two years of progress on interest rates. This has disillusioned a serious proportion of its remaining supporters.

Meanwhile in Brighton the Labour Party has held a conference which has fallen short of the expected disaster. Mr Michael Foot, by the end of it, looked for the first time like a credible party leader, and Mr Peter Shore like a probable successor. The Opposition appears to be back in business.

Reception

This apparent success and its reception in the media have stung a number of Conservatives into weekend speeches. They point out that a party in which the independence of MPs is only sustained by the ruthless use of the block vote, and which is committed to unilateral disarmament and economic isolation, hardly deserves the label "moderate." This is true, but it overlooks the real threat: events in the outside world are conspiring to make unilateralism and protectionism increasingly popular and respectable.

The policies of the Reagan Administration have done much to intensify the problem. Its foreign policy posture, which demands a show of strength and truculence before there is any attempt to negotiate a more meaningful détente, may be logical but has frightened a growing number of Europeans into neutralism. Meanwhile the attempt to finance this programme on borrowed money has still more effectively frightened the financial markets of the world.

This international financial disorder is a more pressing threat to established policies than the rising support for pacifism, although this now appears to be undermining Chancellor Schmidt's coalition in West Germany as well as winning a large majority in our own Labour Party.

The regime of high real interest rates which has spread round the world from Wall Street, if long prolonged, could undermine support not just for a firm defence posture, but for the regime of free exchange of goods and capital. If Labour can now be regarded as acceptably moderate, it is because the world Labour wishes to retreat from looks to many voters a pretty unattractive place.

Until now, the response of other countries to this problem has been almost entirely passive. The Chancellor has been mildly critical of President Reagan's policies at the IMF meeting in Washington, while Mrs Thatcher in Melbourne has defended them. There has been no sign of the kind of impetus which launched the EMS as Europe's first answer to dollar instability.

Such an approach may well be needed unless dollar interest rates, against all current forecasts, do soon begin to fall substantially and durably. The present approach of following these rates protestingly upwards while intervening in the currency markets solves nothing. Indeed, it helps to prolong it. The UK authorities, which sold about £400m worth of the official dollar portfolio last month, are using this revenue as a substitute for domestic funding; but the other side of this coin is that we have simply exported £400m of potential monetary growth to New York.

Such actions worldwide can add perhaps $20bn in a full year to the amount of stock the U.S. Treasury has to sell on Wall Street — even last year the sum was of the order of $15bn, and this is a significant addition to American problems.

The alternative, which is to let the dollar find its own overvalued level, carries its own cost in terms of commodity and oil prices, but this might be sustainable on a European scale. However, as long as European governments scramble competitively to protect their own exchange rates against the dollar, the alternative costs and benefits cannot even be discussed.

Joint action in the European Community might offer some relief from a regime of interest rates which are excessive from a domestic point of view, but would do nothing to solve the other crisis centred round the dollar. Prolonged high rates in real terms are imposing a potentially crippling burden on the fastest-growing developing countries, which have the greatest hunger for imported capital.

Evidence

In this respect, the external effects of American domestic monetary policies are inescapable, and can only be addressed by trying to persuade the Americans to give a greater weight to these effects in choosing their own domestic policy mix.

On present evidence, there is nothing to show that the disorders of the international market economy will cure themselves if we simply leave well alone. International order demands positive action, and a willingness to sacrifice some domestic independence of policy for the common good. Unless action is initiated in the coming months, events will make more primitive, inward-looking solutons politically respectable.

THE INTEREST RATE SURGE

Time to lend, not borrow

By Barry Riley

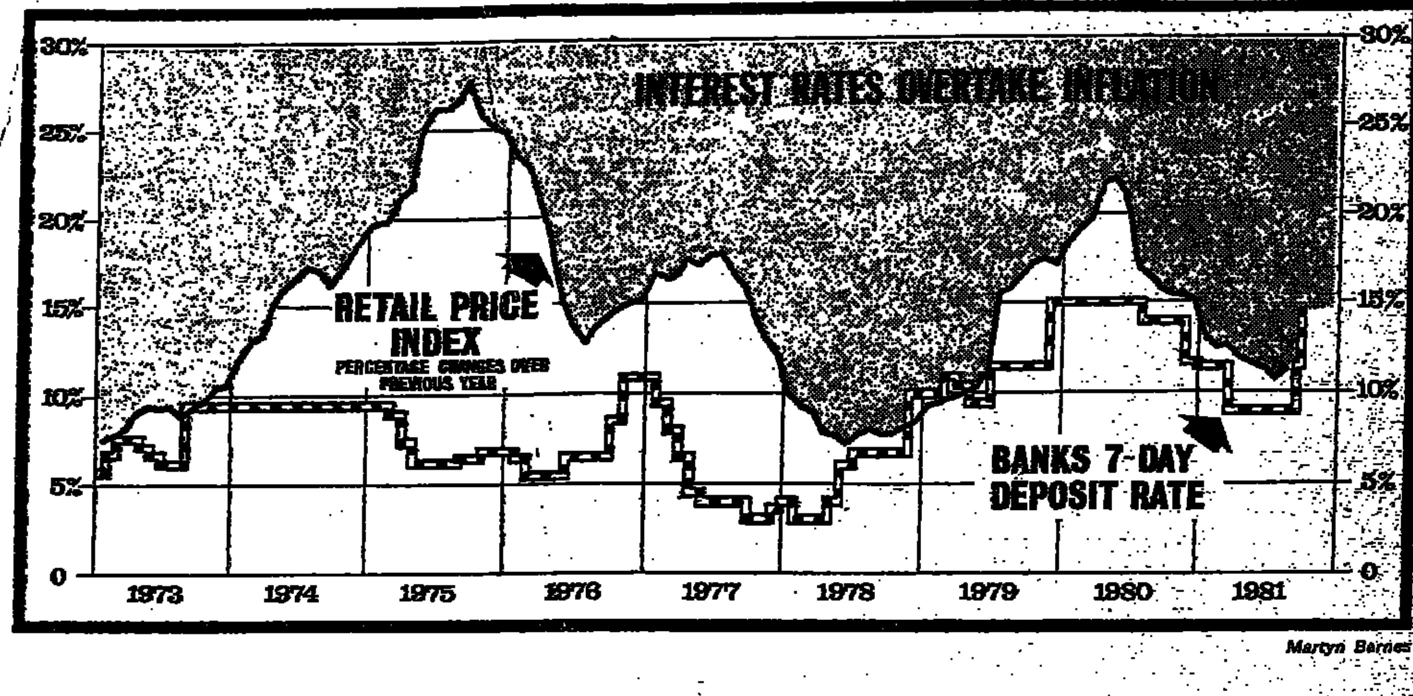
THIS week's rise in the base lending rates of the big clearing banks to 16 per cent may look like just another dose of the old medicine. After all, in November 1979 base rates were hoisted even higher—to 17 per cent—and the level has been almost as extreme further back in the past, at 14 per cent in late 1976, for instance.

But simple parallels with historical experience are misleading. In fact there are two reasons why the current level of interest rates is altogether more severe than those that have been seen in the past.

One is that the high interest rates are being established in an economy that is in deep recession. Over the past year the UK's gross domestic product has fallen by something like 2½ per cent, whereas the high rates of 1976 and 1979 were brought in against the background of positive, if modest, economic growth rates of the order of 2 per cent.

The other reason is that in real terms the current level of interest rates is much higher than the "crisis" levels of the past. In late 1976 the inflation rate was 15 per cent and rising; in 1979 it was climbing towards 20 per cent. The real level of rates was only modestly positive, or even negative.

Today's position is quite different, and it is not just the tax-free pension fund but also the small saver paying standard rate tax who has the chance of a positive real return on his High Street deposits — something almost unheard of for 40 years.



Martyn Barnes

Low inflation indicators

Inflation, as expressed by movements in the retail price index over the year to August was 11½ per cent, and although the recent weakness of sterling may cause a modest acceleration in the next month or two there is little prospect of the kind of development—a surge in wages, say—which could cause a serious rise in the inflation rate in the near term.

Many forecasters are still expecting inflation to decline below 10 per cent in the next year, whereas the cost of overdraft finance for even the very highest rated corporate borrower is now 17 per cent, and may be more than 20 per cent for the less favoured bank customer.

Indeed it is possible to argue that the effective level of real interest rates to a private sector borrower is even higher than might be suggested by these figures, because the private sector rate of inflation—ignoring such public sector imposts as gas prices, local authority rates or telephone charges—has only been about half the official level.

Even that pampered individual, the house owner with a building society mortgage, is now facing the same kind of upward pressure on his cost of borrowing. Previous crisis rates, unwelcome though they might have been for some new time buyers, could be taken in their stride by most established borrowers. They were still likely to make more out of rising house prices than it cost to service the loan after tax relief.

However awkward it might have been to pay out monthly instalments in cash in order to sustain an unrealised capital gain, there was always the feeling that in the long run a house would prove to be a very good investment. Between 1975 and 1980 house values more than doubled, though admittedly some years were much less buoyant for prices than others.

In 1976 the basic mortgage rate peaked at 12¼ per cent, representing a net cost of only just over 8 per cent for a standard rate taxpayer. That was not bad when retail price inflation was running twice as high. The next peak in 1979 was a good deal higher at 15 per cent, or a little more than 10 per cent net, but at least the home owner had the consolation that the value of his property had risen by some 30 per cent during the previous year.

Today, the sums are much bleaker. Next Friday the leaders of the Building Societies Association will meet to approve a rise in the recommended mortgage rate to, probably, 15 per cent again. And many of the larger borrowers pay a point or so more than the basic rate.

This leaves the standard rate taxpayer in the position of paying a positive real rate for his mortgage in terms of the likely movement in the retail price index over the next year. And strictly speaking the comparison should be with a house price index, in which case the investment calculations are starting to look much less favourable.

For house prices are at present decidedly sticky. It is not easy to get an accurate picture of how prices of different kinds of property up and down the country are moving, but this week Abbey National calculated that prices had actually slipped by 4 per cent in the third quarter, and were 1 per cent down since the same time last year.

Remember also that these sluggish price movements have been experienced even before the latest jump in interest rates, a development which has reportedly already thinned out the queue of would-be borrowers at building society offices.

> It is not just the tax-free pension fund, but also the small saver paying standard rate tax who has the chance of a positive real return on his High Street deposits — something almost unheard of for 40 years

There is, of course, another side to the coin of high interest rates. It may be tough on the borrower, but the saver benefits from a higher return. This week the interest rate paid by the High Street banks on seven-day deposits, their normal means of attracting savings from the public, rose in most cases to 14¼ per cent.

This amounts to a fraction over 10 per cent for the standard rate taxpayer, and it is expected that the building societies will have to recommend an investment rate of at least 10 per cent net in order to compete.

Just possibly, these rates could offer the small saver with a bank or building society a real rate of return. If such rates are maintained for a full year (which is, however, unlikely) and if inflation is only 10 per cent or less over the next 12 months (which it is risky to forecast), then the saver could take out his money and be able to afford the same goods and services as he could buy with it now.

This is scarcely a bonanza in prospect for the saver, but it marks a major change from the negative real rates which have become traditional. The loss of purchasing power each year on such savings has usually been in the 5-10 per cent range since the mid-1970s, and at one time in 1975 topped 15 per cent.

It is not just house prices that are flagging under the impact of a weak economy and high interest rates. A whole range of markets—from stock markets to those of the once fashionable alternative investments — have turned groggy this year.

For some time the high level of dollar rates has also been putting pressure on most of the precious metal and commodity markets. A Krugerrand can be purchased for around £245 today, against £265 at the start of the year and £290 12 months ago.

When the return on plain ordinary money is positive, in real terms, there is much less point in looking for inflation hedges. In present circumstances a Krugerrand is just a piece of yellow metal which yields nothing—and in fact costs something to keep and insure—and would have to appreciate in price at a highly improbable rate in order to make sense as an investment. No doubt gold's moment will come again, but the gold bugs have gone very quiet indeed.

Around the fine art salerooms the mood is not entirely despondent—for the rich man on a high tax rate the level of interest rates on bonds or deposits is still far from overwhelmingly attractive—but it is a time for collectors rather than investors.

All this forms part of the long, slow process of eradicating inflationary attitudes. There has been a lesson for the Government as well as the public—for the severe Budget of last March was planned and presented as a means of ensuring that interest rates could come down.

That they have had to go up again so sharply is in part a reflection of the impact of high dollar rates, which have put serious pressure on sterling's value on the foreign exchanges. But it is also true that personal borrowers in Britain celebrated the temporary period of relatively low base rates — they stayed at 12 per cent for six months until mid-September— by going on something of a borrowing spree.

Such a surge of borrowing could not be allowed to continue if the Government was to stay within its strict target limits for monetary growth. Yet many economists are now concerned that the main engine of economic recovery—demand by the personal sector—is now being stifled.

The crucial question now is what effect such historically high levels of real interest rates will have on the behaviour of savers. The normal assumption is that high rates have a deflationary impact on consumer spending, because they represent a transfer of wealth to the rich owners of assets from the poorer borrowing classes.

This is not necessarily an accurate reflection of reality because the typical elderly building society depositor is not usually enjoying a more flamboyant living standard than the young man with a big mortgage. But the economic danger is that money is being transferred from those who would anyway spend it to those who, by and large, may not. That could be a recipe for a slump in consumer demand.

However, the psychology of the saver is still very much of an unknown factor. The past decade has seen strange and unexpected shifts in savings behaviour. When inflation was wiping out the real value of existing savings in the mid-1970s, for example, investors reacted not by deciding that saving was a mug's game but by saving all the harder.

It is at least possible that the reverse process could now begin. If savers believe that the real value of their nest-eggs is secure, they may feel much more relaxed about the need to keep topping them up. The savings ratio, which soared in the late 1970s, could fall back again. At any rate, it is hard to imagine the economy recovering if it does not.

Expressed in clichés, the pattern of life in Britain in the 1960s and 1970s was that pensioners in Eastbourne tightened their belts as they saw their life savings dwindle away, while young executives on Georgian estates outside Reading lived it up on borrowed money.

Swing of the pendulum

The message of this week's rise in interest rates is that for the time being, at least, the game has changed. The idea that industry and home owners should be encouraged to borrow on cheap tax-relieved terms while savers were attacked by inflation—in effect, they had to pay in order to save—has run up against the cold logic of Anglo-American anti-inflationary policies.

Only future economic historians will be able to put this into a proper perspective. Certainly such rates do not seem to be deliberate acts of policy. Some economists think they are simply the result of mistakes in U.S. economic management; others that in some more fundamental way they reflect a world shortage of capital.

Perhaps the pendulum will swing back again, as more countries attempt to follow the route out of economic recession that France, for instance, has adopted at the risk of accelerating inflation. But this week's motto is: Better a lender than a borrower be.

Letters to the Editor

Credit cards

From Mr H Oliver

Sir,—I refer to Mr Alan Friedman's article of September 29. It is not generally realised that there is in fact another quite substantial advantage which Access has over Barclaycard.

In the case of Access no interest is payable on purchases provided settlement is made in full and payment reaches Access within 25 days of the date of the statement. Any amount outstanding at the end of the 25-day period will attract interest from the statement date and interest continues to be charged on a daily basis until full repayment is credited to the Access account.

In the case of Barclaycard, on the other hand, if anything except the full amount is repaid within the interest-free period, then as Mr Friedman rightly says in his article interest is charged on the whole of the balance outstanding on the date of the statement (irrespective of the amount repaid during the so-called interest-free period) until the date on which the payment is credited to the Barclaycard account. Effectively this means therefore that if only partial repayment is made during the interest-free period—no matter how substantial this partial repayment may be—the customer is still charged interest on the full original balance from the date of the statement, ie. effectively no interest-free period is allowed at all after that date. As I see it, this means an interest saving of more than three weeks on the part-payment made as allowed by Access but not by Barclaycard.

H. M. Oliver.
Uplands Lodge,
Pond Road,
Hook Heath,
Woking, Surrey.

Management

From the Education Director, Institute of Directors

Sir,—We have followed with interest the correspondence between the midlands (Mr Price September 19) and Scotland (Mr Herd September 28) on the subject of management education.

As this institute's name was taken in vain in this context, I am sure you will allow us to set the record straight. This Institute has been running courses for some 20 years. More recently, however, we have specialised in subjects covering the legal and professional responsibilities of directors and the need to recognise the difference between management and direction: these two quite distinct areas are often confused and thus the role of the Board misunderstood.

The courses offer practical guidance in direction aimed at improving corporate performance, with not a sign of "dilettantism." From January 1982, in fact, the institute will be offering a diploma in company direction based upon practical experience and knowledge.

There is no doubt that the standards of management are improving in this country and, although there is still a long way to go, we are at least making sure of the direction.

Derek Coltman.
116, Pall Mall, SW1.

Collaboration

From the Director,
Centre for Decision Making Studies,
Tavistock Institute of Human Relations

Sir,—Christopher Lorenz's scathing evaluation (September 28) of an American best seller on how to meet the Japanese challenge may save British managers from hanging on to a shabby second hand coat tail. He is quite right to point out that there is nothing new or very useful in Ouchi's "Theory Z." Contrary to Ouchi's claim, this regurgitation of well known but somewhat out of date behavioural science has nothing to do with the Japanese challenge.

It is, however, wrong to associate the much more recent quality of working life movement with these predecessors. To begin with, QWL is of British origin. More importantly, it can operate in close collaboration with unions, while all the companies mentioned in the Ouchi review are strongly anti-union. The dynamic behind QWL comes from research in Durham coalmines by a team from the Tavistock Institute. Related work became very successful in Norway and Sweden before it reached the United States. The pioneering impact of European thinking was very obvious in the recent international QWL conference in Toronto, which, as Christopher Lorenz points out, attracted over 1,500 delegates from companies and unions despite a prolonged Canadian postal strike. It was a very impressive meeting and demonstrated the naivity of simplistic X, Y or Z cookbook prescriptions. Several reports came from joint management-union collaboration in tough industries like motor car manufacture. While QWL was born here, it has not yet returned to any noticeable extent from its overseas journeys.

(Dr) Frank A. Heller.
The Tavistock Centre,
Belsize Lane, NW3.

Watchdogs

From the Secretary,
National Chamber of Trade.

Sir,—I read with interest your article "Plea on water boards" (September 28).

The water authorities have failed to win the public's confidence because of the complete absence of any formal structure for monitoring their activities. We have been expressing concern for some time that, unlike other public bodies, the water authorities have no elected members who are directly accountable to the public or to specific local authorities in their areas.

When we responded to the 1976 consultative document "Review of the water industry," we commented on the lack of any point at which it was possible to discuss matters affecting the interests of water users; and we pressed then for the introduction of adequate consultative machinery. We suggested the setting-up of local advisory committees.

We are naturally reluctant to increase bureaucracy, but the work of the water authorities is now big business and the Chamber has suggested to the Minister that executive boards would be more appropriate than the existing unwieldy authorities. Adequate representation could then be ensured by appointing advisory or consultative committes in much the same way as with the nationalised industries.

The Minister now seems to be accepting that view and we are gratified that proposals to reshape the Welsh Water Authority are very much in line with our original suggestions. We can only hope that those particular proposals will be a worthy precursor to similar reorganisation within other water authorities.

Bernard Tennant.
Enterprise House,
Henley-on-Thames, Oxon.

Protest

From the Managing Director,
Hedon Growers (Burstwick)

Sir,—I refer to your article by Sara Evans in your issue of September 25. It was unfortunate that the crucial figure in her article was misquoted. The advantage to the Dutch grower is not £1,000 per acre as quoted but £10,000 per acre: a level of unfair competition so severe that the whole future of British horticulture is under threat.

To put this figure in context it means 4p on each cucumber and 5p on each pound of tomatoes produced. In consequence the Dutch exporter can undermine the home trade which is doomed if the Dutch advantage is allowed to continue.

Our industry is not asking for subsidies but for countervailing levies to be placed on the imports from Holland until the Dutch Government stops the overt flaunting of the EEC rule book.

Our Government is sympathetic to our cause but sympathy is not sufficient—action is essential and it must be now before the new season starts. Until this situation is remedied our Brussels protest is only a token of the grave concern felt by the whole of British horticulture.

J. E. Leggott.
The Nursery,
Burstwick, North Humberside.

Debts

From Miss C. Macdonald

Sir,—From the present world financial crisis, with collapsing stock markets here and abroad, yet another sharp rise in interest rates, Poland unable to meet its debts to Western banks, Belgian banks refusing to cover the budget deficit of their Government which has been forced to resign, and Third World countries owing large debts to Western banks which they will never be able to repay, one fact emerges clearly. The global financing system can no longer provide, at a tolerable rate of interest, the long term debt necessary to fund such huge budget deficits and service existing debt.

In short, the borrowing has to stop! But how can it under a system which decrees that money (apart from the small 10 per cent paper/coin cash element) can first come into existence only in the form of bank loans at interest? A riddle indeed! We shall never solve it until we change the system. Must we continue to stand, helpless and hypnotised, watching this man-created phantasmagoria of debt engulf the world until political and economic collapse overtake us?

By usurping the power to issue the means of exchange in all forms, once the sovereign right and duty of the heads of states, the money-lenders have succeeded in establishing their rule over every nation in the world. But that rule is unstable, as the ever-growing debt structure and the need to collect interest on all money in circulation puts an intolerable strain on all forms of enterprise, so that it must eventually lead to a collapse of the system.

Were the Government to repossess this right of issue and spend money directly, instead of allowing bankers to lend it into circulation, there would be no national and almost no private debt burden—and no interest charge permanently crippling the business of the nation. Furthermore, while the Government by being the sole issuer of money, maintained a proper balance between spending power and the true productive wealth of the community, there would be no need for the taxation levied to sustain the debt structure under the present system.

(Miss) Clare Macdonald.
70, Courtland Avenue,
Cranbrook, Ilford,
Essex

Head-up

From Mr J. Marr.

Sir,—Did your excellent golf correspondent Ben Wright have a "head up" or a "shank" (September 26) when he described ex-President Gerald Ford as an accomplished golfer?

I understand Bob Hope suggested this humorous and amicable American was the greatest risk to British golf spectators since the "Blitz."

Jock Marr.
53, Nottingham Terrace,
York Gate, NW1.

Italia

From Mr H. Burton

Sir,—For the record, I did not fire Tony Palmer from Mainstream (Chris Dunkley, September 23). He was the series producer and he withdrew from the programme on the eve of the first transmission. In any case, there is really nothing "ironical" about the fact that I was chairman of the international jury which awarded Tony Palmer's film about Walton the Italia prize. Along with many others, I have long admired Palmer's film work; actually, the jury selected the Walton film by 10 votes to 3. It is a fine film about a great composer and speaking personally I hope LWT will repeat it for Sir William's eightieth birthday next March.

Humphrey Burton.
123, Oakwood Court,
Abbotsbury Road, W14.

John Griffiths reports from Bonneville, Utah, on the thrust for the land speed record

'For Britain—and the sheer hell of it'

"AT 250 mph she got up on her toes and planed like a dream. Marvellous!"

Mr John Ackroyd, designer of Britain's first World Land Speed Record car since Donald Campbell's Bluebird, could barely disguise his euphoria as he scrambled from the passenger cockpit of Thrust 2 in the early morning Utah sunlight.

A few seconds earlier, with the 34,000 horsepower car streaking in front of us across the Bonneville salt flats, trailing a high rooster tail of salt, my co-driver and I had flung our specially built V12 saloon-based Jaguar fire tender into gear and given chase. At well over 100 mph we might as well have been standing still.

On Thursday Thrust 2, after three days when it appeared that the British team might have underestimated the problems of salt, had the bit between its teeth and was heading for the horizon at over 300 mph.

Yesterday afternoon, London time, driver Richard Noble, this time alone, was scheduled to fire the after burner of his Rolls-Royce Avon 302 jet engine, which has seen prior service in an RAF Lightning fighter, and take Thrust 2 through the 400 mph mark.

Tomorrow a 500 mph run is planned. Officials of the United States Auto Club are now in place to start timing Noble as early next week he drives repeatedly down the 11-mile course, edging ever closer to, then, it is hoped, beyond the 622.407 mph he has to beat to bring back to Britain the record Campbell lost to the Americans 17 years ago.

Even at 650 mph he will have 14,000 horsepower in reserve.

The perils clearly remain. Everyone at the base camp five miles out into the flats is aware of the danger that may come when the car encounters transsonic air effects as it moves beyond the 500 mph mark.

But after the initial low speed runs—when Thrust 2 yawed badly as salt clogged the tiny treads of its tireless aluminium wheels, Ackroyd's predictions — and those of Southampton University researchers and British Aerospace — have been proved correct.

At 250 mph the rumbling and crashing of the rubber suspension ceases abruptly as the 27 ft 6 in car lifts into full aerodynamic mode — it starts, as Mr Noble describes it, "flying in a single plane." At that speed the salt gives up, thrown harmlessly from the treads by centrifugal force.

A mini village has sprung up around the marquee housing the record car, with Press and TV crews converging on an enterprise which has fired imaginations in the West of the U.S. In the only sizeable nearby town—Wendover on the Utah-Nevada border — British pennants are on restaurant tables and even flying on the Stateline Casino.

A steady stream of visitors to the base are wishing the "Brits" nothing but luck. And at amateur TV and radio station WA 7 MTS, the base's only immediate contact with the outside world, the airwaves have been jammed with well-wishers' messages for days.

It has taken Richard Noble and his team seven years and nearly £1m to arrive at this vast dried up salt lake near where the atom bomb which destroyed Hiroshima was armed.

He carries with him the hopes of 179 British companies which have contributed cash, engineering, technical and other resources to bring the record home for Britain. (Britain has held it for 51 of the 83 years since Comte Gaston de Chasseloup-Laubat set the first record—39.245 mph, near Paris, in 1898.)

Hugh Routledge

Richard Noble with his wife, Sally, and Thrust 2

Yet when the project was first getting under way Mr Noble recalls being told: "British industry will never support another land speed record attempt after Campbell. You'll probably get a lot of publicity, but when it comes to building—well, Bluebird needed 30,000 design hours, that's £390,000 at today's prices — and that's before you've even chopped your first bit of aluminium. . . ."

Mr Noble, the 35-year-old overseas marketing manager for GKN's building services division — a joint sponsor of the project which has given him 18 months leave to see it through—derives no little satisfaction from having proved the scepticism wrong. The companies drawn in are very diverse, ranging from the very large to the very small.

They include: TI Renolds, which built the complex space frame comprising 750 ft of tubing: British Aluminium, which provided Thrust 2's skin; British Timken, which launched a research and development programme to come up with the case-hardened tapered roller bearings which have to withstand loadings of more than 5,000 lbs at speeds above 600 mph, and three Lucas divisions—Aerospace, Electrical and Girling — whose contributions have included disc brakes of a new graphite-iron compound.

Technical and other assistance has come from Rolls-Royce on the engine, British Aerospace, Racal and Plessey for its electronic systems, and from many others.

The providers of cash range from Initial Services—the industrial workwear concern—to industrial adhesives makers Loctite UK, Faberge toiletries, Champion and—in response to a last minute public appeal for the help to take the team to Bonneville—British Airways and Trust Securities Holdings, a property development and investment group.

BL has weighed in with the Jaguar and the new T45 cruiser truck which carried Thrust 2 on a ceremonial progress from Los Angeles to the salt.

Given the scepticism which undoubtedly did surround Noble's chances of putting together what amounts to an all-British industrial project, what persuaded so many companies to come in?

Part of the answer is straight forward promotion and publicity value. In terms of air time and media coverage, the project has been fairly well exposed.

To that must be added a series of public demonstration runs at air displays and race meetings and exhibitions around the country including last year's motor show—a year which also saw Thrust 2 break six British land speed records.

But none of the larger concerns such as GKN or TI are likely to sell more products because of their involvement, while Rolls-Royce hardly needs the project to enhance its own reputation.

It is the many smaller contributors which stand to gain most. To take just one example, Rathbone Chesterman is a small Birmingham-based tool manufacturer. Its contribution inevitably has been small when set against the majors. Yet it has devised an entire promotion programme for its products based round the record attempt.

Executives of the larger companies talk of their support in terms of helping to enhance British prestige. Some, such as Initial Services, suggest that "by backing Project Thrust a practical contribution is being made to the advancement of British prestige and technology," while Mr Peter Jones, Trust Securities chairman, drew a parallel between the project and his own company's planned science park covering 250 acres on the borders of Heathrow Airport.

But Mr Richard Aston, managing director of Loctite UK, offers the bluntest view: "We went into this because Noble, his chief designer John Ackroyd and the rest of that team represent what a whole chunk of British industry should be about but isn't. Starting with virtually nothing, a couple of hundred pounds, they've steam-rollered this thing through by sheer guts, determination and sweat.

"When companies said at first they didn't want to know, then the Thrust crew damn well made them know. That's not to overlook the technical strength of the project; no way would we have gone in if we had not been satisfied about that. But the point is, Britain's got masses of expertise and abilities lying about under-utilised simply because there are a lot of managements stuck in the old ways, who can always think more easily of why things can't be done than how they can.

"If Richard's project can make even some of them take pause for thought, to start looking forwards rather than backwards, then even on that basis the project will have been well worthwhile."

Bent on tackling the record "from the year dot," Mr Noble's enthusiasm survived the accident which saw his first car, Thrust 1, demolished in a 140 mph accident at RAF Fairford in 1977. That was a confessedly amateur effort which left him with £175 paid by a scrap yard for the wreckage.

Subsequent discussions with Bluebird designer Ken Norris led him to Ackroyd, whose credentials include contract designer to Britten Norman, British Hovercraft Corporation, Porsche Messerschmidt and Dornier, working for the last on the A300 airbus.

A detailed construction programme requiring rolling contributions rather than one large lump of cash, was drawn up and the hunt for sponsorship began. When Mr Noble started receiving the "yes, we're interested but . . ." letters, he simply manoeuvred his way to the chairman direct.

The result is now on the salt. And this weekend executives and heads of sponsoring companies are due to start flying in by the dozen with every motel and hotel within reach fully taken.

During the past 18 months, however, they have also lined up to ride in the passenger seat of Thrust 2 during its test runs. Which leads one to suspect that, beneath the high-flown phrases about prestige and technology, a part of their involvement is for the same reasons as those declared by Noble. He says he is doing it "for Britain—and the sheer hell of it."

SOME HOLDERS OF THE RECORD

		mph
Dec. 1898	Gaston de Chasseloup-Laubat (Fr)	39.24
Jan. 1906	Fred Marriott (UK)	127.66
Sept. 1924	Malcolm Campbell (UK)	146.16
March 1927	Henry Segrave (UK)	203.79
Sept. 1935	Malcolm Campbell (UK)	301.13
Sept. 1947	John Cobb (UK)	394.20
July 1964	Donald Campbell (UK)	403.10
Oct. 1964	Art Arfons (U.S.)	434.02
Oct. 1964	Craig Breedlove (U.S.)	526.38
Oct. 1970	Gary Gabelich (U.S.)	622.40

Economic Diary

TOMORROW: First stage of Social Democratic Party Conference in Perth (continues in Bradford and London and ends on October 9). Lower fares on London Transport buses and tubes comes into operation.

MONDAY: Meeting of National Economic Development Council. Professor Alan Walters, economic adviser to the Prime Minister, addresses Institute of Directors, Café Royal, London. Mr Ian McGregor, British Steel Corporation chairman, speaks at Coal Industry Society lunch, Hyde Park Hotel, London. EEC Agriculture Ministers begin three-day informal discussions, Broadway, Worcestershire. Wholesale price index (September provisional). Hire purchase and other instalment credit business (August). Housing starts and completions (August). Retail sales (August final).

TUESDAY: UK banks, eligible liabilities, reserve ratios and special deposits (mid-September). London clearing banks' monthly statistics (mid-September). Vehicle production (September provisional). National Coal Board gives reply to miners' pay claim. Mr Patrick Jenkin, Industry Secretary, at annual meeting of National Council for Voluntary Organisations, London. Meeting of Trades Union Congress public services committee. House of Lords reassembles after summer recess.

WEDNESDAY: Publication of communique on final day of Commonwealth Summit Conference, Melbourne. Personal sector account and industrial and commercial companies appropriation account. Local authority unions meet to draw up joint pay claim.

THURSDAY: Mrs Margaret Thatcher in Pakistan for talks with President Zia ul-Haq. Two-day National Energy Management Conference on Energy Conservation opens, Birmingham. Nomination day for Croydon North West by-election.

FRIDAY: Building Societies Association meets for discussions on mortgage and interest rates. Building Societies' monthly figures (September). Final day of Social Democratic Party Conference, Central Hall, Westminster, London. Central Government transactions (including borrowing requirement September). Ford workers submit pay and conditions claim to management. Annual meeting of Magistrates Association, City of London, Guildhall.

Weekend Brief

The Cold War of the chess world

Karpov (precise and clinical) and Korchnoi (convivial but vulnerable to pressure)

The unforgiving attitude of Soviet officials towards defectors has been graphically demonstrated this week by the opening moves of the world chess championship at Merano, Italy. Viktor Korchnoi, the 50-year-old challenger, who left the USSR in 1976, starts tonight's second game against the champion, Anatoly Karpov, 30, already one down.

Korchnoi had the white pieces on Thursday, but was remorselessly outplayed, as Karpov took command of the centre of the board, and gained material. Karpov needs five more victories to retain the title and win the first prize of £120,000.

Hopes that this match would be different from the incident-prone series three years ago in the Philippines were raised when the Soviet side agreed that Korchnoi could play under the flag of Switzerland, where he is resident, while Korchnoi's team conceded Karpov's wish for a wooden barrier under the table to restrain the challenger's restless feet.

But on the day of the opening ceremony, the Soviet news agency, TASS, published an attack on Korchnoi's personal life and criticised as "hypocritical" his efforts to get his wife and son to join him in the West. His son, Igor, is serving a 30-month labour camp sentence for refusing the military service which would have debarred him from emigration. Korchnoi's wife, Bella, returned from a visit to the camp just before the match and told her husband by telephone that his son was in bad shape. Korchnoi was reported "crushed" by the news and the attack and did not attend his pre-match press conference.

The contrast in personality between the two rivals is striking. Karpov is slight, precise and clinical, and since he became champion his consistent game has achieved 19 first prizes in only 23 major tournaments. Korchnoi, a fit survivor of the wartime siege of Leningrad, is convivial and friendly but also full of Slav emotion. He is the more vulnerable to outside pressures, and Soviet officials know it.

Karpov's first victory, in 1978, came when the young champion suddenly refused Korchnoi the traditional pre-game handshake. Korchnoi was visibly upset, abandoned his planned opening system in favour of a risky line, and was decisively beaten. Later in the match, the Russian camp played on his fears of a personal attack by installing a "parapsychologist" in the audience, who stared intently at Korchnoi throughout the five-hour session.

Korchnoi has brought his own counters in the psychological war to Merano. A woman Yoga expert has flown in from the Philippines, while early in Thursday's game Korchnoi donned mirror spectacles to discourage Karpov's stare across the board. But the Soviet side seemed confident that their champion, now at the height of his form, can end Korchnoi's ambitions. Expert opinion already favoured Karpov before the match, and after Thursday's game the view has strengthened that the champion will keep his title by a convincing margin.

A sport for Kings and Sheikhs

Serenely unmoved by the hectic behaviour of world stock markets this week, the great bloodstock boom continued at Newmarket, where Tattersalls' October Premier Sales produced sizzling prices for yearling racehorses. With tomorrow's running of the Prix de l'Arc de Triomphe, Europe's richest race, at Longchamp, the attention of the racing crowd transfers to France: but it was Newmarket that confirmed what was already apparent in Kentucky and at Saratoga this summer: namely, that international demand for horseflesh is pushing bloodstock values to new and more exalted levels.

As usual, it was a syndicate headed by Vernons pools millionaire Robert Sangster that made the headlines this week, though the Arabs spent mightily, too.

On Wednesday, Sangster and his partners smashed the European record for a yearling sold at public auction when paying 640,000 guineas for a bay colt by Mill Reef, Paul Mellon's illustrious champion. (For the benefit of readers in Macao or Malagasy, a guinea is a pound and a shilling, or £1.05. The Mill Reef colt therefore cost £672,000, or $1,232,952 at current rates.)

The previous European record was the 625,000 gns paid for Ghadeer in the same ring two years ago. The Sangster syndicate also paid 350,000 gns on Wednesday for a son of Habitat, while Sheakh Mohammed paid a European record for a yearling filly, 260,000 gns.

On Thursday, Sangster and his men paid 610,000 gns for a colt by Alleged, while Prince Kais Al-Said handed over 460,000 gns for another son of Mill Reef.

As usual, events in the sales ring produced a clutch of fine tales. The 260,000 gns filly bought by Sheikh Mohammad, for example, was bred by Co. Meath breeder George Spann, who originally bought the dam for just 3,000 gns., and could hardly believe his luck. "I was hoping for six figures," he said, "but after that I just sat with my mouth open."

Even so, prices at Newmarket this week still trailed below the levels established in Kentucky this summer, when three of the sons of Northern Dancer, the world's top thoroughbred stallion, fetched $3.5m, $3.3m, and $2.95m respectively.

Part of the reason for this explosion in prices is the very fancy bidding that now occurs whenever a great racehorse, like Shergar, retires to stud. Shergar, this year's Epsom Derby hero, has been syndicated by the Aga Khan to stand at stud at a total valuation of £10m.

In the view of John Gaines, the dog-food millionaire, who owns Kentucky's Gainesway Farm, the only market that has escalated like the horse market is Chinese porcelain—he collects old masters and modern drawings.

"The horse market has accelerated faster than Impressionist paintings, coins, precious metals—anything," he says. "The reason the horse market doesn't lend itself to standard economic indexes or analyses is that it's still essentially a sport."

CB radio craze and its uses

With between 1m and 3m potential sales of Citizens' Band radio sets expected in the first year of the service operating, bookstalls can expect a boom in sales of CB language manuals and dictionaries.

CB jargon is reputedly only marginally easier to learn than Esperanto. But prospective users of CB—which is a personal radio communications system with a 12 mile range—have less than a month to study before CB becomes legal on November 2.

For an annual fee of £10, prospective CB users will be able to licence up to three sets using the 27 MHz or 934 MHz band. At the moment only sets in the 27 MHz FM are being manufactured and there are doubts whether the higher frequency band will ever be used because even professional mobile radio is only at the experimental phase with this frequency.

Within the 27 MHz band, the Home Office has allocated 40 channels, each of which can be used for conversations—rather like a conventional telephone call. The only difference is that every time a person wishes to speak, he or she has to wait for the other person to finish because CB sets cannot transmit and receive simultaneously.

Using the system is child's play—and many users come into that category regardless of age. All one has to do is tune to Channel 14 which is known as the calling channel. Most people keep sets on Channel 14 to wait for a call specifically for them.

Once you've found someone to talk to, it is necessary to retune to one of the other 40 bands which are available, to carry on a more private conversation—though anyone can listen in.

The equipment to join in this growing craze—there are already more than 1m illegal operators—is relatively simple and cheap costing between £60 and £100.

Next month legal rigs—as the enthusiasts call their sets—will be available in a variety of high street chains and mail order catalogues. There are basically three types. The simplest is a walkie talkie set which can be carried, a battery operated set for use in cars and a mains operated version for use in the home.

Apart from a ban on advertising, soliciting goods and services, and obscene language CB messages are unrestricted. The Home Office says that there is no bar on business, so if small companies want to use CB for office-to-site or shop-to-van communications, they are free to do so.

From the experience of the presently illegal users—they have bought sets from the U.S. and Japan based on the American system—most people use CB purely for social communications. However, many manufacturers believe that the business use will grow once CB is legalised.

CB protagonists say that the service provides a useful emergency communications service giving warnings of accidents on the road, and traffic jams. In fact, Channel 9 is set aside for emergency and calls for assistance while Channel 19 will be reserved for motorists.

Contributors:
Leonard Barden
Michael Thompson-Noel
Elaine Williams

Brown and Jackson dives midterm

FIRST-HALF 1981 taxable profits of **Brown and Jackson**, the building and civil engineering contractor, have slumped to £47,227, compared with £1.39m last time. The result was after charging an exceptional provision of £0.4m for exchange losses in the Tigner Group.

This relates to the estimated loss sustained by the subsidiary in not covering its forward currency requirements for purchases made in U.S. dollars. The board says this was in contravention to established policies of the group and the subsidiary concerned, and procedures have been implemented to prevent a recurrence.

In view of current trading conditions, the interim dividend is being passed (4p last time). Dividends for 1980 were maintained at 9p despite a second-half profit of only £30,000.

Most companies in the group are trading profitably, but at a lower margin than achieved in the last two years. The board says this is a direct consequence of the continuing recession which affects both its consumer and building interests.

Trading conditions in the second half continue to be difficult with tight gross margins, but operating costs are being kept under control.

No tax is payable for the half year, against a charge of £700,000 last time, and the attributable surplus came through at £14,714, compared with £583,676. Stated earnings per 20p share dropped from 3.57p to 0.8p.

First-half turnover increased from £53.29m to £71.19m.

In July, the board said it believed the group had a sound base and a healthy spread of activities which would provide a springboard for growth in the 1980s.

See Lex

BBK in loss after £1.4m redundancy costs

REDUNDANCY COSTS of £1.41m have taken a heavy toll on the half-year results of **Brown Boveri Kent (Holdings)**, the industrial instrument manufacturer. For the period to June 28 1981, the group made a pre-tax loss of £1.34m, against a profit of £0.54m last time, despite a rise in turnover from £43.55m to £47.98m.

At the operating level, the group recorded a surplus of £3.07m—a modest reduction on last year's £3.22m. However, this was before charging redundancies, depreciation of £1.3m (£1.17m) and interest, £1.7m (£1.51m).

The directors explain that the effects of the prolonged recession on many of the basic industries served by the UK process control division, necessitated the commencement of a major programme of further rationalisation of activities—principally affecting the Luton factory—with the loss of over 300 jobs in the half year.

Recent investments in flow products manufacturing facilities and new product introductions in nearly all sectors are now beginning to bear fruit, however. With improving order books in virtually all parts of the group, sales in the second half will be somewhat higher than in the first, the directors state.

No dividends were paid last year and at this stage, the directors say they cannot consider the declaration of an interim distribution. In 1979, an interim of 1p net was followed by a final of 1.2p.

Tax charges for the half year increased from £689,000 to £929,000, leaving a much higher after-tax deficit of £2.27m (£153,000). There were also minority debits of £173,000 (£128,000) and an exchange credit of £1.03m (£0.71m debit).

Stated loss per 25p share was up from 0.52p to 4.51p, before the exchange translation.

Despite the difficult economic conditions, both the Meters division and Kent-Tieghi in Italy showed an improved performance and results of the industrial measurements division and international operations were satisfactory.

Referring to the various statements that have appeared in recents months, concerning the group's dis-investment plans for Evershed Power-Optics and George Kent (Malaysia) Berhad, the directors say negotiations on these prospective disposals are progressing and announcements will be made when they are concluded.

● **comment**

BBK continues downwards. The main weakness has been demand for standard electro-mechanical products where a strong pound has upset sales to the Third World and the range is perhaps looking a bit outdated anyway. Some lines have been cut out. In contrast the new electronic range has performed quite well and water meters and analysis equipment orders have been reasonably good. Yet this is measured against a very tough market for any company producing process control instrumentation for a worldwide market. Still there are signs, for BBK at least, that life is looking a little brighter. Its main competitors in world markets are U.S. based so recent currency movements are helping its competitive position and overseas subsidiraies are chipping in more in sterling terms. Exports and overseas companies account for a little over two-thirds of group sales. A few good overseas orders have been picked up and the second half should produce something better in terms of trading profits. Even after the £1½m of redundancy costs above the line at the interim stage BBK could end the year near break-even. However it needs to get its debt levels down. The last accounts showed borrowings of over £22m supported by shareholders' funds of £28.3m. The Malaysian disposal will raise £5.9m and Evershed is going, but at a much smaller price. Even so debt remains oppressive and there looks like need for further appraisal of the group's structure. The price held steady at 18p yesterday.

Stylo reduces deficit midyear

Pre-tax losses of Stylo, footwear retailer and wholesaler, were down from £1.14m to £758,913 in the half-year to August 1 1981. There was a substantial increase in turnover, which rose from £13.53m to £18.42m. The results include six months' trading of Stylo Pennywise.

The pre-tax figure was struck after depreciation up from £304,843 to £289,534 and interest charges of £394,195 (£373,248). There was an attributable loss of £709,733 (£1.09m) after profits of £49,180 (£108,840) on disposal of fixed assets. Northampton closure costs last time accounted for £50,903.

Downiebrae in red at six months

Closure of its non-ferrous operations has contributed to **Downiebrae Holdings**, reporting a loss of £194,000 in the half-year to June 30, 1981. In the corresponding period last year, this metal merchant and manufacturer of steel profiles and pipe flanges had pre-tax profits of £207,000. No interim dividend is being paid against 0.9p last time. The final dividend will be dependent on trading conditions.

The directors say that trading conditions have remained depressed, although there are indications that the bottom of the recession is over and a return to profitability is anticipated in the second half.

Turnover, down from £2.9m to £1.56m, shows a substantial decrease and they say this was mainly attributed to the cessation of its non-ferrous operations. These closures have reduced the company's borrowings, and a further improvement is expected to give a total reduction over the year of £350,000.

Included in the first half loss is the exceptional sum of £110,000 attributed to the closures of the non-ferrous operations, redundancies incurred in the rationalisation of the company's engineering sector, and the provision made in respect of two customers failing to meet their liabilities.

There was a nil tax charge compared with £108,000.

Percy Bilton ahead at £3.2m midway

FIRST-HALF taxable profits for 1981 of property investment and development and civil engineering concern **Percy Bilton** moved ahead from £2.81m to £3.2m on lower turnover of £12.28m against £13.79m.

The interim dividend is being maintained at 2.5p net per 25p share—last year a total of 6.9p was paid on pre-tax profits of £6.13m (£6.08m). Earnings per share for the six months are stated at 5.5p (5.4p).

Mr Percy Bilton, chairman, says the increased profitability was not derived from a single source, but from contributions from all areas of group activities.

He says he remains convinced of the need for caution with regard for any speculative development. The group is ready, however, to take advantage of opportunities that will arise when the economy improves. Shareholders, he adds, will appreciate the need to retain sufficient earnings within the group to secure future growth.

Tax for the six months took £1.13m (£770,000).

L. Ryan falls £335,000

A DIFFICULT period for **L. Ryan Holdings** has seen pre-tax profits of this Cardiff-based plant hire contractor and coal factor, fall from £458,000 to £123,000 for the six months to June 30 1981. The directors say trading conditions in the UK were beset with the problem of a large overhang of coal stocks.

Actions taken last year to develop export sales have proved invaluable, the directors state, and are reflected in a sharply increased export turnover of £2.48m (£94,000). They add that while this is most beneficial in making a meaningful contribution to overhead recovery, it is unfortunate that margins are so poor in export markets.

Turnover in the UK increased from £3.12m to £5.07m, while the figure from the Belgian associate, Ryan Europe, was only a little higher at £4.7m (£4.68m).

On prospects the directors say that accurate forecasting in present conditions is "bordering on the impossible, but there is every confidence and justification in our belief that the UK and European companies will each operate profitably in the second half of the year."

There is no tax for the first half, against a £9,000 charge last time. Attributable profits dropped from £449,000 to £123,000 and earnings per 5p share fell by 1p to 0.38p.

MEPC's £30m LOAN

MEPC announces the signature of an agreement placing at its disposal a loan facility for £30m with a final maturity of 10 years.

The loan is secured by investment properties located principally in the London area and will create resources which can be deployed by MEPC in its on-going development programme in the UK which includes its major office projects in London and Reading.

The loan, which is managed by N. M. Rothschild and Sons, is provided by a syndicate of seven leading international banks.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Amax	60§	Dec 1	60	240	240
Percy Bilton ......int	2.5	Dec 1	2.5	—	6.9
Blue Bird	2.9	—	2.9	4.35	4.35
Brown and Jackson ..int	nil	—	4	—	9
Campari Int.	2.1	Dec 5	2.1	3.1	4
City Londn. Brwy. 1st int	1.1	Nov 30	1.1	—	4.4
Downiebrae Hldgs int	nil	—	0.9	—	0.9
Emess Lighting	4	Nov 5	3.5	6.75	6
Harcourt Irish Hldgs‡	nil	—	2.65	1.62	4.28
Lyle Shipping ....int	4.5	Jan 4	4	—	9.5
Mercury Money Mkt¶ int	14	—	nil	14	10
N. Brit. Canadian Iv. int	1.75	Nov 9	1.75	—	4.8
Richards (Leicester) int	1	Nov 25	1.5	—	4.3
Charles Sharpe	23.38	Nov 24	23.38	27.5	27.5
Trinlevest ....int	3.8	Oct 31	3.94	—	7.1

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Irish currency throughout. § U.S. cents throughout. ¶ Gross throughout.

Blue Bird management criticised

MISMANAGEMENT OF manufacturing operations at **Blue Bird Confectionery Holdings** is blamed by the board for a sharp erosion of profitability in the 53 weeks to July 4 1981.

On turnover slightly down at £10.22m from £10.24m, the taxable surplus was cut by more than half, from £334,315 to £112,151. This resulted from a second half which failed to break even: profits midway were £114,644.

However, the final dividend is maintained at 2.9p net per 25p share to repeat the total of 4.35p, in spite of warnings at the interim stage that this would depend entirely on results and the economic climate. Total earnings per share are given as 4.2p (4.8p).

The board says mismanagement took the form of export commitments at below cost and the purchase of packaging materials at prices above the market level.

"This situation has now been arrested," it adds, noting also that the manufacturing company opted to keep its workforce intact, a decision which appreciably affected profits.

The wholesale confectionery companies, on the other hand, had "performed creditably."

The group pre-tax profits were struck after charges for depreciation of £200,844 (£188,467) and bank interest of £62,549 (£56,001).

In 1980 the £61,469 losses of Stobbs Wholesale (Hull) — described by the chairman in that year's report as an ill-timed entry into the tobacco business—were debited after its closure as an exceptional item.

After tax credits of £46,134 (£156,062 debits) the attributable profits were £158,285, down from £178,253.

During the year the company acquired the Berec/Ever Ready property in Wolverhampton for £475,000. The board says this was financed from existing resources and cash flow remains "perfectly adequate."

Black Arrow

The order books of **Black Arrow Group** are higher than this time last year, Mr Arnold Edward, chairman, told shareholders at the AGM yesterday.

With six months of the current year just completed he expected shortly to report higher profits.

Last year the group, involved in leasing, wholesale and retail distribution of office furniture and equipment, made taxable profits of £440,265 (£458,993) on turnover of £6.13m (£6.74m) and paid maintained dividends of 2.5p net per 50p share.

Lyle Shipping advances to £3.66m

FIRST-HALF taxable profits of Glasgow-based **Lyle Shipping Company** advanced from £2.33m to £3.66m on turnover up from £7.97m to £11.07m.

The interim dividend is being increased to 4.5p net per 25p share against 4p last time. Earnings per share are stated at 39.47p (37.69p adjusted).

Mr Calum A. MacLeod, the chairman, says all the company's activities seem likely to perform as well in the second six months of 1981 and he is confident the results for the full year will be highly satisfactory. However, the outlook beyond that is very uncertain because of the continuing decline in freight rates resulting from the weakness in world economies.

The pre-tax profits were struck after interest charges of £350,000 (£999,000) and tax took £451,000 (£28,000 credit). Last year there were exceptional profits on the sale of a ship of £1.08m. After minorities the attributable profits emerged at £3.17m (£2.37m).

● **comment**

Excluding ship sales in the comparative period, interim profits of Lyle Shipping have almost trebled to £3.6m. The biggest divisional rise, £1.2m, is in shipping, reflecting high freight rates prevailing last year and the company's skill at placing its fleet of bulk carriers. So far this year the deterioration in freight rates has been offset by the strength of the dollar. The turnaround at Lyle Offshore accounted for another £1m as North Sea oilfield development and maintenance work picked up significantly. Repayment of loans has resulted in a big cut in interest charges and, following the May rights issue, the group is in a net cash position. The shares have lost about a fifth of their value since May and, at 295p, up 35p, the prospective fully taxed p/e on the forecast profit of about £7m is only 7. If the final dividend is raised in line with the interim—exceeding the forecast at the time of the rights issue—the yield would be over 5 per cent.

Harcourt into red and omits final payout

A poor second half pulled the Dublin-based **Harcourt Irish Holdings**, with subsidiaries engaged in spring and plastic products manufacturing, paper merchanting and tyre distributing, into the red for the year to December 31, 1980, and it is omitting the final dividend.

Although turnover was slightly higher at I£5.94m from I£5.72m, pre-tax losses were I£81,029 compared with profits of I£257,250 and a I£122,085 surplus midway.

The total payout is thus 1.62p net per 25p share (4.275p). Losses per share are given as 3.34p (12.79p earnings).

Tax credits amounted to I£38,520 (I£91,842 charges).

Mr J. Jefferson Smurfit, the chairman, says the problems continued into the first half of 1981 although the company has managed to reduce the rate at which losses are being incurred. The board expects some recovery in the current period but the outlook for the year as a whole "must be difficult."

BIDS AND DEALS

Warren advises holders to reject McLeod's offer

BY ROSEMARY BURR

WARREN Plantation Group, the plantation group with UK paint interests, is writing to shareholders advising them to reject the £22.6m offer from rival plantation group, McLeod Russel.

On Wednesday McLeod, which then held 4.9 per cent of Warren, purchased a 9.77 per cent stake in the company at 215p and launched a full offer saying it already had irrevocable acceptances in respect of 30.1 per cent of the company's shares.

McLeod has now increased this level of irrevocable acceptances to 31.66 per cent, so it only needs a further 3.68 per cent to gain effective control of Warren.

Warren has held talks with several parties, both UK and overseas, about launching a rival bid. The chairman, Mr O. N. Dawson said yesterday he feared a massive asset stripping operation must be in prospect. He said he was uneasy that no guarantee had been given to the staff of over 20,000 and he was particularly worried about the prospect for Mason, the group's paint company.

The chairman's letter to shareholders attacks McLeod's bid from three fronts. Firstly, Warren argues the price of 215p is too low; secondly, not only does the offer undervalue the company's assets but it also ignores the growth potential of the group's recent investments and, thirdly, Warren attacks the suitability of McLeod as a suitor saying it will be highly geared if the offer is successful and has "nothing to contribute to Warren's future growth."

McLeod's market value when it launched the bid was under £10m compared to a net worth of £17.4m, and it had arranged a term loan from the Royal Bank of Scotland and the Bank of Scotland to finance the transaction.

Mr John Campbell, managing director of McLeod, reiterated his belief the offer was fair and said Warren had refused to discuss details of McLeod's proposals. He added that the employees' rights would be protected.

Mr Campbell said "without its action Warren would have lost its independence to others." McLeod would be sending out its offer document to Warren shareholders which it hoped would indicate "the constructive nature" of its bid.

In the letter to shareholders, Mr Dawson points out McLeod's offer of 215p compares with a mid-market quotation of 250p in the last six months, and with net assets on a current cost basis of 337p as at December 31, 1980.

In addition, Warren argues that the offer does not take account of the benefit from its recent investments and that at the time of the offer Warren was considering three investment opportunities involving more than £8m.

Warren then goes on to defend its strategy of diversification away from its plantation base by contrasting its own recent trading performance with that of McLeod.

Warren tells shareholders that "in 1977 McLeod and Warren were both primarily tea companies with a similar market capitalisation of approximately £7m." Since then, McLeod's capitalisation has increased by 50 per cent, while Warren has grown by 200 per cent.

Warren also points out that McLeod "has yet to demonstrate its success in its own diversification" as four out of five of its UK trading activities operated at a loss according to its latest set of accounts, and group pre-tax profits fell from £4.48m to £1.1m.

Warren's pre-tax profits of £5.25m in 1980 compare with McLeod's pre-tax profits of £1m for the year to March 31, 1981. Warren says "our development strategy" has enabled the company "to maintain profits at a higher level than would otherwise have been possible in the face of falling commodity prices."

Warren argues that shareholders have directly benefited from this strategy in the form of higher dividends. Warren's dividends have risen from 4.55p in 1976 to 10p in 1980, a 120 per cent increase, while McLeod's dividend has increased by 28 per cent over the past five years.

Warren also says that McLeod has not disclosed its intentions with regard to the company and that the board is not aware of "any additional expertise which McLeod would contribute to Warren's future development."

Warren argues that the upward movement in McLeod's shares since the offer was announced reflects "the market view that the terms of the McLeod offer are materially to their advantage."

McLeod's shares have added 45p since the announcement to close at 270p yesterday. Over the same period Warren's shares have added 30p to 220p at yesterday's close, 5p above the offer price.

About half of the uncommitted shareholders are institutions, including Throgmorton Trust, M and G, Drayton Montagu and Barclay Unicorn. All the institutions according to Warren are "long-term holders."

Warren added that Sipef, the Belgian plantation group, which has a 12.5 per cent stake and irrevocably accepted the McLeod offer, tried to sell its shareholding as recently as four months ago. Warren had offered to place the shares at 210p, but this price had proved unacceptable to the Belgians.

The relationship between Sipef and Warren has worsened over the past 10 months. On December 31, 1980 Warren terminated its agency relationship with Sipef in Indonesia and now says this may have been one of the factors which soured the relationship between the two parties. In May this year, Sipef strongly opposed the rights issue arranged by Warren to finance further diversification away from plantations.

Ward White buys 25,000 shares in Hiltons Footwear

A SUBSIDIARY of **Ward White**, the shoe manufacturing group, has bought 0.4 per cent of the Leicestershire based shoe retailer, **Hiltons Footwear**.

The 25,000 shares were purchased on Thursday afternoon at 100p a few hours after Ward White had announced it was considering making a cash offer for Hiltons.

Hiltons had announced on Monday plans to merge with another Leicestershire based shoe retailer, George Oliver (Footwear).

Mr Birch, Ward's group managing director and chairman elect, said yesterday the group had not been deterred by its failure to acquire a sizable stake in Hiltons in the market on Thursday. The company was no longer in the market for Hiltons shares which rose 10p yesterday.

Hiltons has advised its shareholders to take no action and has sought the advice of its merchant bankers, County Bank.

Forward Technology's acquisition in U.S.

Forward Technology Industries of the U.S., a subsidiary of **Forward Technology Industries**, has acquired 85 per cent of **Colortran Holdings**, of Burbank, California. In addition, FTI has separately acquired the freehold premises of Colortran's branch in Thetford. Total cash consideration is £255,000.

The remaining 15 per cent of the Colortran share capital is owned by its president, Mr Kenneth Boyda, who will continue to manage the business.

Net book value of the assets acquired amounts to £744,000 and annual pre-tax profits of the business attributable to FTI's 85 per cent share are around £57,000, based on the year ended December 31 1980, after adjusting for capital restructuring.

Berec says Hanson bid 'opportunist'

Berec, the Ever Ready battery group which is fighting a £73m takeover bid by **Hanson Trust**, the international holding company, has told its shareholders that Hanson's offer is "totally inadequate, opportunist and lacking in any commercial logic."

Its latest outburst against the Hanson offer has followed the distribution of the formal Hanson offer document to Berec shareholders earlier this week.

"Hanson is trying to acquire Berec on the cheap," says Berec's chairman, Mr C. Stapleton. "The offer document contains many comments which are either misleading or immaterial.

"Almost the first point made in the document contains a major error of fact. Hanson claims in my statement in October 1979 about profit expectations for that financial year was not fulfilled.

"At the time of the half year announcement in October 1979 when profits had fallen from £11.1m to £3.2m, I said that the poor results of the first half will not be representative of the full year.

"In the event in line with the Berec board's expectations, in the second half of 1979/80 profits amounted to £14m compared with £9.2m"

Results due next week

This week Ready Mixed Concrete reported a 14 per cent decline in pre-tax profits. On Monday **Rugby Portland Cement's** interim report is expected to show a similar downturn. Analysts are looking for about £8m before tax compared with £9.33m last time and are doubtful that the group can extend its six-year profit growth record for the year as a whole.

Cockburn in Australia has already reported a one third fall in interim profits and passed its dividend but the appreciation of the Australian dollar against sterling will mitigate the impact on RPC. Cement volume is well down in the UK but the April price increase helped and Rugby seems to have picked up some market share from Blue Circle during the industry's labour troubles early in the summer. A slight increase on last year's 2.2p interim dividend is considered a possibility.

The boom in linked-life assurance sales in the UK continues to gather momentum and **Hambro Life Assurance** as the leading linked-life company is fully participating in this growth, with new annual premiums up 30 per cent and single premiums up by 70 per cent over the first six months of the year. Shareholders should get the fruits from the strong sales growth in recent years with a possible one-quarter rise in interim dividends from 3p to 3¾p when the company reports on Wednesday.

The market expects the interim figures from **Freemans** on Monday to indicate some recovery after the profits collapse last year. In January the chairman said the spring-summer catalogue had been well received and recruitment of new agents was continuing at a satisfactory rate. Analysts' estimates for the six months to July 31 range from £5.5m to £6m, as against £5.1m in the previous period.

Sales growth is expected to have been in the region of 10 per cent and margins have been roughly maintained. In addition, the interest rates bill will have been reduced. The second half looks less bright with higher interest rates and growing pressure on consumers' disposable income. The range of estimates for the full-year is from £10.75m to £12m as against £10.5m last year.

Bejam Group will unveil its preliminary figures on Tuesday which are expected to show a modest profits rise. Market analysts are forecasting pre-tax profits of between £9m and £9.5m for the year to June 30 1981, as against £8.3m in the comparable period. At the interim stage, profits were up from £4.1m to £4.5m largely due to a healthy rise in profits from the Freezer Food Centres.

The disposal of Fast Food Restaurants, which made an interim loss of £303,000, will have helped the second half figures and profits growth will have been boosted by the increase in selling space. Most analysts are focusing their attention on next year when the full benefit of the Fast Food disposal will come through with estimates for pre-tax profits ranging from £11m to £12m. At the interim Bejam increased the dividend by 25 per cent and a slightly smaller increase perhaps to a 1.5p final payout is expected.

Among other results due next week are preliminary figures from Cope Allman International on Monday and interim figures from Waterford Glass on Monday, Christies International on Wednesday and Minet Holdings on Thursday. Suter Electrical presents preliminary results on Monday, the group's first figures since the takeover of Prestcold from BL in March for £9m.

At the time of the £7.7m rights issue to finance the acquisition, the directors expected Prestcold to have some difficulty in 1981, especially in the early months.

Company	Announcement due	Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Amstrad Consumer Electronics	Tuesday	—	2.0	1.56
Armour Trust	Friday	—	0.125	—
Beckman (A.)	Tuesday	1.95	3.78	1.95
Bejam Group	Tuesday	1.0	1.25	1.25
Bristol Channel Ship Repairers	Monday	—	0.4	—
Capseals	Monday	1.5	1.8	1.6
Cope Allman International	Monday	1.785	2.8	—
Footwear Industry Investments	Monday	1.54	3.5	1.54
Halstead (James) Holdings	Tuesday	0.8	1.6	0.8
Home Farm Products	Wednesday	—	1.75	1.15
Hunt and Moscrop (Middleton)	Thursday	0.3575	0.5425	0.36
Kent (M.P.)	Monday	0.5	1.4	0.575
Lawrie Plantation Holdings	Tuesday	—	18.5	—
Lawtex	Wednesday	1.875	2.125	1.9
Photo Me International	Thursday	3.15	8.3	3.15
Riley (E. J.)	Monday	1.25	2.25	1.25
Sanderson, Murray and Elder	Thursday	—	2.0	—
Scottish Metropolitan Property	Wednesday	1.04167	1.86667	1.25
Suter Electrical	Monday	—	—	1.25†
INTERIM DIVIDENDS				
Altifund	Thursday	5.0	8.75	
Anchor Chemical Group	Monday	2.38	—	
Barlow Holdings	Wednesday	1.0	3.0‡	
Bronx Engineering Holdings	Thursday	0.29	0.79	
Bruntons (Musselburgh)	Thursday	4.25	5.21	
Cape Industries	Tuesday	3.9	7.3	
Cartwright (R.) Holdings	Tuesday	1.0	2.0	
Christies International	Wednesday	2.0	5.0	
England (J. E.) and Sons (Wellington)	Friday	0.4	0.4	
Farnell Electronics	Thursday	1.5	3.7	
Finlay (James)	Thursday	2.0	2.16667	
Firmin and Sons	Friday	1.0	2.5	
Foster Brothers Clothing	Wednesday	1.1	2.25	
Fothergill and Harvey	Wednesday	2.75	5.0	
Freemans	Monday	4.7	2.0	
Grampian Holdings	Thursday	1.5	3.0	
Green's Economiser Group	Thursday	2.23923	[illegible]	
Hambro Life Assurance	Wednesday	3.0	6.6	
Harris Queensway Group	Wednesday	1.33333	2.66667	
Higgs and Hill	Wednesday	2.0	2.8	
Holt Lloyd International	Wednesday	1.5	1.67	
House of Lerose	Wednesday	2.0	4.0	
Insurance Corporation of Ireland	Wednesday	2.88	7.75	
J. B. Holdings	Wednesday	1.5	1.5	
Jove Investment Trust	Tuesday	2.0	2.3	
Laing Properties	Wednesday	1.40625	2.34375	
Lamont Holdings	Monday	0.4	0.7	
Minet Holdings	Thursday	2.8	1.75	
Minster Assets	Friday	1.8	2.4	
Molins	Friday	2.2	[illegible]	
Nesco Investments	Thursday	3.5	4.1	
Reed Executive	Friday	1.5	—	
Ruberoid	Thursday	1.1	2.65	
Rugby Portland Cement	Monday	2.2	2.3	
Scottish Television	Friday	1.4	[illegible]	
Silentnight Holdings	Tuesday	1.0	2.5	
Silkolene Lubricants	Monday	1.05	3.85	
Small (John C.) and Tidmas	Thursday	1.5	1.5	
Stag Furniture Holdings	Tuesday	1.75	3.25	
Sumner (Francis) Holdings	Tuesday	0.35	—	
United Carriers	Wednesday	1.0	2.5	
Waterford Glass	Monday	0.8	0.914	
INTERIM FIGURES				
Hamilton Oil Great Britain	Thursday			
Pickles (William)	Monday			
Walker (C. and W.) Holdings	Thursday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † For 15 months to 31.12.81. ‡ Includes a special dividend of 1p paid out of realised profits.

Asprey plans launch on USM

ASPREY, the Bond Street jeweller plagued until late last year by feuding within the Asprey family, has reported doubled profits in the year to March 1981 and major expansion plans.

The group, which fended off a bid last year from Alfred Dunhill, is also seeking an introduction of its ordinary shares to the Stock Exchange's Unlisted Securities Market following a four-for-one scrip issue.

In addition, shareholders are being given a bonus issue of 9½ per cent preference shares on the basis of four new £1 preference shares at par for each ordinary share held. Morgan Grenfell has offered to buy any unwanted new shares for 80½p per share, and the Asprey family, which holds 50.4 per cent of the equity, is taking up the offer in respect of its entitlement.

The ordinary shares have been dealt in recently under Stock Exchange rule 163 (2) at about £25 but the offering price rose yesterday to £30.

Asprey's profits before tax advanced from £2m to £4.1m in the year to March, with most of the rise coming in the second half. The interim figure was £784,000 compared to £787,000. Turnover for the year was £20.1m (£13.77m). After tax of £1.39m (£367,000) and exchange losses of £188,000 (£404,000), group profits were £2.55 (£1.2m).

The group made transfers to legal reserves of £36,000 (£31,000). It had deducted £28,000 for minority interests in 1979-80. After extraordinary items of £284,000 (£187,000), attributable profits were £2.2m (£1.04m) or 636.4p per share (311.31p).

A final dividend of 100p is recommended, making 175p for the year compared with 25p last year.

Mr John Asprey, chairman, said the second-half results were much higher because of purchases by four or five overseas customers. Group exports in the year rose from £5.9m to £8.4m.

Also, stocks were reduced substantially from £9.7m to £7.7m and the group's balance sheet strengthened. Mr Asprey said net cash balances were now in excess of £5m. Net tangible assets attributable to ordinary shareholders totalled £12.9m or £32.29 per share at March 31 1981.

Trading in the current year is said to be satisfactory and the board undertakes at least to maintain the dividend, adjusted for the scrip.

A franchised Asprey shop is opening in Hong Kong in mid-October and the group plans to open a wholly owned shop in New York in the autumn of 1982. Mr Asprey said he was interested in further expansion, notably in the Gulf states, but not immediately.

An extraordinary general meeting will be held on October 27 to approve the capital re-organisation. The bonus issues of ordinary and preference shares are being offered to shareholders on the record on September 29, 1981.

Dealings in the ordinary shares are expected to begin on the USM on October 29. The offer by Morgan Grenfell to purchase any preference shares at 80½p per share expires on October 23. Brokers to Asprey are De Zoete and Bevan

● **comment**

The improvement in Asprey's performance since Mr John Asprey's family won control in May, 1980 is remarkable, and there still seems to be lots of scope for growth. Mr Asprey's enthusiasm for developing overseas markets is already paying off and the New York and Hong Kong outlets are probably just the first moves in a long overdue international expansion. The Algernon Asprey interior decorating business, acquired in 1979, is gradually coming right and should become an important contributor to profits from next year. Many minority shareholders would probably prefer not to have the new prior charge on earnings that will result from the preference scrip but that is frequently one of the disadvantages in investing in family-controlled companies. At £30, the ordinary shares are on a fully taxed p/e of less than 5 and yield a useful 8.6 per cent. This modest rating suggests that once the ordinary scrip has been made, the shares should receive a strong welcome on the USM.

SUMMARY OF THE WEEK'S COMPANY NEWS

هكذا من الأصل

Take-over bids and deals

Dunlop is disposing of its Malaysian plantation interests to local investors in a £61m deal, and thereby removing immediate threats of a full-scale takeover attempt from the same source. The UK tyre and engineering group is selling its 51 per cent holding in Dunlop Estates Berhad to the wide-ranging Malaysian conglomerate Multi-Purpose Holdings. Around 30 per cent of Dunlop's equity is under Far-eastern control and, as part of the deal, Pegi Malaysia, which holds 17 per cent, has stated that it will not increase its stake any further.

Two proposed mergers were announced last week. Cater Ryder and Allen Harvey and Ross, two of the elite band of London discount houses, are to merge by means of a share-exchange deal whereby Cater will offer 19 of its shares for every 20 Allen Harvey valuing the latter at around £7.0m. The new company will be known as Cater Allen Holdings.

Footwear concerns George Oliver and Hiltons announced complex merger terms under which current holders will be offered shares in a new holding company. If the deal is implemented, former holders of Oliver and Hiltons equity will hold 57.5 per cent and 42.5 per cent respectively in the new company. The position was further complicated on Thursday, however, following an approach to Hiltons from shoe manufacturers, Ward White.

The usually subdued Plantations sector was enlivened by two bids. Warren Plantations, which recently launched an unsuccessful market raid on wine and spirit merchants Matthew Clark, was itself the subject of a raid and subsequent offer from McLeod Russel. The latter, which already held a near 5 per cent stake in Warren, brought its holding up to 14.67 per cent by market purchases and then offered remaining shareholders 215p cash, or 165p cash plus 50p of 8.4 per cent Convertible preference, for every Warren share held. Warren has rejected the offer stating that it "substantially undervalues the company's assets and its future potential."

Blantyre, the UK-based company with tea estates in Malawi, received an offer from Eastern Produce. Eastern, which already held 25.6 per cent of the former, raised its stake to 34.4 per cent by market purchases at 69p per share and is offering the same amount to outstanding shareholders.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Blantyre Tea	69*	70	69	0.80	Eastern Produce
Braham Millar	24*	25	23	3.02	Fleidwood
Brown Bros.	30*	28	25	4.26	Dana Corp.
Caird (Dundee)	15*	15	13††	0.42	New Venture Carpets
Durapipe	40*	37	25	3.93	Glynwed
Gaunt (Rowland)	25*§‡	65	22	0.05	Queensway Secs.
Guthrie	901*§	882	662	140.0	Permodalan Nsnl.
Harris & Sheldon	56*	52½	32††	22.26	Otis Elevtr. (UK)
Hirst & Mallinson	32½	31	30	1.68	Assoc. Brit. Eng.
Allen Harvey & Ross	268	260	247	7.04	Cater Ryder
Alex. Howden	166	130	142	150.98	Alexander and Alexander Srvs.
Law Land¶¶	105§	106	99	35.89	Churchbury Ests.
Letraset	156½§§	139	140	66.74	Esselte AB.
Moss (Robert)	32*§	37	20	1.66	Orchard Holdings
Ofrex¶¶	190*	190	138	37.74	Gallaher
Paringa	80*	72	72	8.64	Apollo Int. Mines
Provident Life	340*§	324	232	16.18	Winterthur Swiss
RCF	24*§	24	18	1.94	Bardsey
Ruo Estates	58*§	58	58	0.79	E. Produce and Laurie Plantatns.
Serck	60*	58	36	25.52	BTR
Unochrome Inds.	25*§	24	15½	2.93	Eastern Produce
Viners	2*	3½xr	15††	0.12	Consortium
Warren Plants.	215†	220	190	22.63	McLeod Russel
Westbrick Prods.	87*	85	85	3.73	Beazer (C. H.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 2/10/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

Scrip Issues

Ferry Pickering—One for ten.
Galliford Brindley—One for one.

Offers for sale, placings and introductions

Allianz—London listing.
Minerals Oils and Resources—Placing of 300,000 shares at US$10 each.
Oldham Brewery—Is planning to have its shares listed on the unlisted securities market.

Rights Issues

Staffordshire Potteries—Is raising £1.6m in a rights issue of preference shares on the basis of two £1 convertible cumulative redeemable preference shares at par for every seven held.
Websters Group—Is raising £440,000 by way of a one for four rights issue at 20p per share.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AC Cars	Mar	295L	(5)	—	(—)
African Lakes	Jan	253	(218)	1.1	(1.0)
Air Call	June	437	(210)	1.85	(0.53)
Arncliffe Hldgs.	Apr	200	(158)	1.12	(1.12)
Associated Book	June	1,100	(202)	3.5	(2.8)
Astbry. & Madeley	June	405	(705)	1.0	(1.0)
Aurora Hldgs.	June	221L	(2,060)	—	(1.55)
Bardsey	June	504	(61)	—	(—)
Beaumont Props.	June	794	(767)	1.5	(1.5)
Beauford Group	June	202	(215)	0.7	(0.7)
Bentalls.	Aug	410	(104)	0.3	(0.3)
Boustead	June	538	(1,360)	0.5	(0.5)
Bowthorpe Hldgs.	June	5,610	(4,970)	1.52	(1.38)
Brent Chemicals	June	1,820	(1,510)	0.6	(0.5)
CEI	June	2,620	(3,120)	1.25	(—)
Carpets Intl.	July	2,190L	(4,130)L	—	(—)
Crosby House	June	46	(59)	—	(—)
Davenport Knit.	June	375	(469)	—	(—)
Desoutter Bros.	June	1,060	(1,480)	2.7	(2.7)
Elbar	June	949L	(394)L	—	(1.0)
Estates & General	June	341	(478)	0.6	(0.55)
Findlay Hardware	June	311L	(166)L	—	(—)
Grattan	Aug	2,770	(2,300)	1.87	(1.87)
Hanger Invs.	June	154	(107)	—	(—)
Henriques (A.)	June	64	(77)	0.3	(0.3)
House Property	June	117	(33)	1.5	(1.0)
Hurst (Charles)	June	22L	(112)	1.33	(1.33)
Hyman (I. & J.)	June	159	(642)	—	(0.41)
IDC Group	Apr	247	(209)	1.33	(1.21)
Laing (John)	June	2,610	(1,460)	1.0	(1.0)
Lanca	June	90	(51)	—	(—)
Lane (Percy)	June	449	(405)	1.0	(0.83)
Leadenhall Sterling.	June	107	(460)	1.38	(1.38)
Lesney Products	July	3,870L	(5,940)L	—	(—)
Liberty	Aug	278L	(438)L	0.4	(0.4)
Lilleshall	June	84L	(209)	1.0	(1.0)
Manders	June	1,830	(1,450)	1.4	(1.3)
Metalrax	June	528	(1,070)	0.75	(0.75)
Midland News	July	1,370	(1,600)	—	(—)
New Equipment	Apr	93	(28)	0.35	(0.35)
Office & Elect.	June	1,300	(1,370)	2.5	(2.5)
Oldham Brewery	July	860	(864)	—	(—)
Provincial Ins.	June	5,020	(2,840)	8.0	(6.82)
Reed (Austin)	Aug	208	(370)	0.9	(0.9)
RMC	June	18,530	(21,520)	3.7	(3.7)
Silvermines	June	2,990	(760)	1.5	(1.0)
Samuel (H.)	Aug	773	(2,820)	—‡	(1.5)
Shaw (Francis)	June	122L	(89)L	—	(—)
Solicitors Law	June	63	(70)	—	(—)
Sthmptn. Steam	June	345	(532)	2.0	(2.0)
Tate of Leeds	June	243	(211)	—	(—)
Tilbury Cntrctng.	June	814	(1,150)L	6.0	(6.0)
Tomatin Distillers	June	1,120L	(505)L	—	(—)
Toye	June	55	(34)L	—	(—)
Turriff Corp.	June	413	(242)	—	(—)
Vickers	June	9,500	(12,600)	4.55	(4.55)
Ward White	June	1,460	(1,810)	1.4	(1.4)
Watm'ghs Hldgs.	June	676	(625)	1.7	(1.5)
Watts Blake	June	1,730	(1,921)	1.35	(1.23)
Websters Group	June	227	(106)	0.8	(0.7)
Whatman Reeve	June	912	(255)	1.8	(1.6)
Wlstnhlme. Rink	June	628	(806)	2.5	(2.5)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. † For previous 15 months. ‡ Interim dividend will be declared in January. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AB Electronics	June	364L	(918)	—	(17.8)	4.0	(7.5)
Adwest Group	June	5,450	(8,290)	16.8	(28.4)	7.5	(7.43)
Bell (Arthur)	June	20,020	(16,840)	21.5	(20.6)	4.72	(4.05)
Ferry Pickering	June	1,240	(1,430)	9.0	(9.8)	2.6	(2.6)
Boulton (Wm.)	June	1,440L	(750)	—	(1.4)	0.1	(1.35)
Charterhall	June	362	(58)L	1.0	(—)	0.3	(—)
Christy Bros.	June	149	(276)L†	7.4	(—)	—	(—)
Dalgety	June	41,200	(33,400)	29.7	(26.0)	22.0	(22.0)
Danks Gowerton	June	167	(1,300)L	2.0	(—)	0.5	(0.7)
Galliford Brndly.	June	3,320	(3,160)	17.0	(15.7)	5.0	(4.63)
HTV	July	2,970	(3,580)	15.6	(19.6)	10.0	(10.0)
Link House	June	4,540	(4,200)	20.2	(16.6)	10.0	(8.4)
Lndn. Shop Prop.	Apr	1,090	(1,140)	6.8	(7.1)	3.75	(3.1)
Mitchell Cotts	June	9,140	(9,020)	5.8	(6.6)	3.61	(3.61)
Moran (C.)	Jan	590	(1,850)	0.6	(4.8)	—	(4.0)
Mucklow (A. & J.)	June	4,290	(3,710)	7.6	(7.2)	3.84	(3.84)
Parker Knoll	July	3,000	(3,580)	24.2	(29.0)	7.5	(7.0)
RCF	July	594L	(5)L	—	(—)	—	(—)
Rivoli Cinemas	Apr	179	(163)	58.3	(53.0)	52.0	(46.0)
Staffs Potteries	June	1,300L	(312)	—	(5.5)	0.01	(1.13)

Campari slides to £607,874

TAXABLE PROFITS of Campari International, the importer and distributor of leisure, camping and boating equipment fell back from £975,003 to £607,874 in the year to May 31 1981 though second half profits increased from £237,000 to £322,000. Turnover remained roughly unchanged at £20.19m, against £20.21m.

On a current cost basis pre-tax profit was £908,585.

The final dividend is being maintained at 2.1p net per 20p share making a total for the year of 3.1p (4p). Earnings per share are stated at 7.35p (7.8p).

Mr H. H. Lipton, chairman, says that in the first four months of the current year turnover has increased satisfactorily.

Pre-tax profits were struck after interest charges of £1.46m (£1.43m) and with lower tax of £7,956 (£339,026) and dividends of £253,072 (£326,440) the retained profits emerged up at £346,852 (£309,537).

● comment

Campari's figures were greeted with a sigh of relief and an 8p rise to 40p yesterday. The market had been betting on a second half setback and cut final dividend in line with the interim payment. In the event sales inched ahead 2 per cent and profits by a third in the closing six months against an admittedly depressed period. Volume, the company says, was little changed. The final dividend is held giving a yield of 11.6 per cent. So from the low point of January-June 1980 the last two sets of half yearly figures have shown some steady recovery. Moreover there is a fairly bullish statement to go with the results. Half the business is overseas and Germany in particular is doing well while overall the figures are looking better in sterling terms. The annual results were struck with the pound worth more than $2. But hopes for continued recovery must be muted by the recent jump in UK interest rates. Income gearing last year was 70 per cent and capital gearing must be up around 120 per cent with a large slice of that being UK overdraft. Campari needs to improve on last year's stock turn of under two times to get its gearing down. Still the dividend is well covered—2.4 times histories and 3.6 times CCA—and the price has a renewed air of some confidence.

BASE LENDING RATES

A.B.N. Bank ... 16 %
Allied Irish Bank ... 14 %
American Express Bk. 16 %
Amro Bank ... 16 %
Henry Ansbacher ... 16 %
■ Arbuthnot Latham ... 16 %
Associates Cap. Corp. 16 %
Banco de Bilbao ... 16 %
BCCI ... 16 %
Bank of Cyprus ... 16 %
Bank of N.S.W. ... 16 %
Banque Belge Ltd. ... 16 %
Banque du Rhone et de la Tamise S.A. ... 16½%
Barclays Bank ... 16 %
Beneficial Trust Ltd. ... 17 %
Bremar Holdings Ltd. 17 %
Bristol & West Invest. 17 %
Brit. Bank of Mid. East 16 %
■ Brown Shipley ... 16 %
Canada Perm't Trust ... 16½%
Cayzer Ltd. ... 16 %
Cedar Holdings ... 14 %
■ Charterhouse Japhet ... 16 %
Choulartons ... 16 %
Citibank Savings ... ¶13 %
Clydesdale Bank ... 16 %
C. E. Coates ... 16 %
Consolidated Credits ... 16 %
Co-operative Bank ... *16 %
Corinthian Secs. ... 16 %
The Cyprus Popular Bk. 16 %
Duncan Lawrie ... 16 %
Eagil Trust ... 16 %
E. T. Trust Limited ... 16 %
First Nat. Fin. Corp. ... 17 %
First Nat. Secs. Ltd. ... 17 %
Robert Fraser ... 16 %
Antony Gibbs ... 16 %
Grindlays Bank ... ‡16 %
■ Guinness Mahon ... 16 %
■ Hambros Bank ... 16 %
Heritable & Gen. Trust 16 %
■ Hill Samuel ... §16 %
C. Hoare & Co. ... †16 %
Hongkong & Shanghai 16 %
Knowsley & Co. Ltd. ... 16½%
Langris Trust Ltd. ... 16 %
Lloyds Bank ... 16 %
Mallinhall Limited ... 16 %
Edward Manson & Co. 17 %
Midland Bank ... 16 %
■ Samuel Montagu ... 16 %
■ Morgan Grenfell ... 16 %
National Westminster . 16 %
Norwich General Trust 16 %
P. S. Refson & Co. ... 16 %
Slavenburg's Bank ... 16 %
E. S. Schwab ... 17 %
Standard Chartered ... ‖16 %
Trade Dev. Bank ... 16 %
Trustee Savings Bank 16 %
TCB Ltd. ... 16 %
United Bank of Kuwait 16 %
Whiteaway Laidlaw ... 16½%
Williams & Glyn's ... 16 %
Wintrust Secs. Ltd. ... 16 %
Yorkshire Bank ... 16 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 14.5%, 1-month 14.75%. Short term £4,000/12 month 16.35%.
† 7-day deposits on sums of £10,000 and under 14%, up to £50,000 14½% and over £50,000 14¾%.
‡ Call deposits £1,000 and over 14%.
§ Demand deposits 14½%.
‖ 21-day deposits over £1,000 15½%.
¶ Mortgage base rate.

Triplevest cuts interim

Net revenue of Triplevest has fallen from £945,840 to £912,480 for the half year to August 31 1981, and the investment trust is reducing its interim dividend from 3.941p to 3.802p net per 50p share. It adds, however, that the final should exceed last year's 3.156p.

Pre-tax revenue was unchanged at £1.44m, struck after expenses and interest of £184,151 (£177,279). Tax charge was £527,381 (£496,371).

Net asset value per £1 capital share reached 531.375p at the half-year (479.25p at 1980-81 year end).

N. British Inv.

Attributable earnings of North British Canadian Investment Company slipped to £163,370 in the six months to August 31, as against £183,679.

The interim is maintained at 1.75p net per 25p share, last year's total having been 4.8p. The stated earnings per share are 2.42p (2.72p) and the net asset value 138.5p (118.2p).

The pre-tax surplus was £231,114 (£268,198) after interest charges of £2,639 (£2,532) and management expenses up at £26,224 (£18,251). Tax took £67,744 (£84,519).

C. Sharpe slumps

Taxable profits of Charles Sharpe and Co., seed grower and merchant, slumped from £378,514 to £13,195 in the year to June 30 1981.

After a tax credit of £711,683 (£33,072 charge) the final dividend is being maintained at 23.38p net per £1 share making a same again total of 27.5p.

Shaw & Marvin

An upturn has been effected at Shaw and Marvin, the mercerisers, dyers and knitwear manufacturers, curtailing pre-tax losses to £22,847 in the year to March 31, against £203,517 last time and £76,149 midway.

Turnover was down to £1.76m from £2.13m. Tax credits were £2,028 (£71,597), leaving attributable losses of £20,818 (£131,920). Losses per 10p share are given as 1.388p (8.795p). Only one dividend has been paid since 1977.

A further loss is envisaged for the half-year to September 30, 1981, the chairman warns.

Emess payout up

Pre-tax earnings of Emess Lighting reached £314,552 in the year to June 30, 1981, compared with £345,067 for the preceding 15-month period. Turnover expanded to £2.71m from £1.83m.

A final dividend of 4p (3.5p) net per 25p share will be paid, lifting the total to 6.75p (6p). Earnings per share are stated as 20.36p (30.49p).

Last time, profits of £36,140 from listed investments were taken into account at the pre-tax level and £166,626 losses of subsidiaries were deducted below the line.

Tax this year took £41,220 (£22,014), and attributable profits were £273,332 (£156,427). Taxable earnings on a CCA basis were £290,365.

MERCURY MONEY

An interim dividend of 14p, against nil, is being paid by Mercury Money Market Trust for the year to September 30 1981. The directors do not recommend payment of a final dividend—last year's payment was 10p.

THE TRING HALL USM INDEX
106.6 (+1.3)
at close of business 2/10/81
BASE DATE 10/11/80 100
Tel.: 01-248 5675

CORAL INDEX
Close 472-477 (+2)

SPAIN

October 2	Price %	+ or −
Banco Bilbao	371	−1
Banco Central	360	−4
Banco Exterior	314	
Banco Hispano	324	−1
Banco Ind. Cat.	118	
Banco Santander	394	
Banco Urquijo	241	
Banco Vizcaya	387	−3
Banco Zaragoza	255	−3
Dragados	175	−5
Espanola Zinc	75	
Fecsa	68.7	−2.5
Gal. Preciados	53.5	
Hidrola	76.5	−1.2
Iberduero	58.2	+0.2
Petroleos	119	+0.5
Petroliber	82	
Sogefisa	51	
Telefonica	81	−2
Union Elect.	74.5	−0.7

APPOINTMENTS

Executive posts at Nationwide

NATIONWIDE BUILDING SOCIETY has appointed Mr Tim Melville-Ross as assistant general manager (finance), and Mr Malcolm Hughes as assistant general manager (market planning).

★

Mr E. Brunet has retired from the PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION and its managed fund subsidiary and commences in practice as a consulting actuary. Mr J. D. Neville is appointed actuary to both companies and Mr C. E. Hughes is appointed managing director, Provident Mutual Managed Pension Funds.

★

Mr David M. Taylor has been appointed divisional director of construction with the CROWN AGENTS. He was formerly director of contracting with Alfa-Laval.

★

Mr John G. H. L. Armistead has been appointed group chief accountant of DALE ELECTRIC INTERNATIONAL.

★

Mr David K. Rowe-Ham has been appointed a director of WILLIAMS & JAMES (ENGINEERS).

★

Mr J. N. Hornibrook has been elected to the board of ROCHE PRODUCTS as works director, Dalry.

★

Mr David Moreau has been appointed to the main board of the DEWPLAN water and waste treatment group. He joined a subsidiary, Chiltern Water Treatment, earlier this year as managing director. Mr Moreau was formerly managing director of the Elga water treatment group.

★

Mr Richard Despard has been appointed co-ordinator of finance in Europe and the Middle East for K-TEL PETROLEUM INC.

★

FEDERATED INSURANCE COMPANY has appointed Mr Ian A. Litster, as manager for Scotland. He succeeds Mr Frank Tetlow, who retires after 43 years in the insurance industry.

★

WARD WHITE GROUP states that Mr Philip Birch, group managing director, is appointed chairman elect and following the retirement of Mr George McWatters, as chairman, on March 17 he will become chairman and managing director. Mr D. D. de Carle, a partner in Simmons and Simmons, and a non-executive director, will become non-executive vice-chairman on March 17. Mr G. Walsh, head of corporate finance and a director of Morgan Grenfell and Co is appointed a non-executive director.

★

The Industry Secretary has appointed Mr Deryk Vander Weyer as a part-time member of the BRITISH TELECOMMUNICATIONS CORPORATION, for three years. He is group deputy chairman of Barclays Bank; chairman of Barclays Bank UK; and a director of Barclays Bank International.

LONDON TRADED OPTIONS

Oct. 2. Total Contracts 1,340. Calls 885. Puts 455

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	260	22	54	36	3	46	12	276p
BP (c)	280	10	10	33	29	32	1	"
BP (c)	300	3	9	14	44	22	—	"
BP (c)	320	2	—	7	4	—	—	"
BP (c)	350	1½	—	3	10	—	—	"
BP (c)	380	1	—	1½	10	—	—	"
BP (p)	260	7	—	11	—	20	10	"
BP (p)	280	15	10	22	5	30	—	"
BP (p)	300	28	—	32	—	40	40	"
BP (p)	330	—	—	—	—	64	10	"
BP (p)	350	74	—	74	17	—	—	"
BP (p)	380	104	—	104	40	—	—	"
CU (c)	140	9	—	19	3	23	—	145p
CU (c)	160	3½	3	11	5	14	—	"
Cons. Gld (c)	460	18	1	35	—	50	5	460p
Cons. Gld (c)	500	4	2	22	—	27	—	"
Cons. Gld (c)	550	1	—	8	2	15	—	"
Court'lds (c)	50	6	3	8	—	10½	—	53p
Court'lds (c)	60	2½	43	4	—	5	—	"
GEC (c)	600	82	16	—	—	—	—	67p
GEC (c)	650	37	14	73	1	94	—	"
GEC (c)	700	10	—	47	—	67	2	"
GEC (c)	750	4	—	27	10	45	1	"
GEC (c)	800	1	—	12	—	30	2	"
Gr'd Met. (c)	160	13	7	22	1	28	20	167p
Gr'd Met. (c)	180	3	—	11	27	17	5	"
Gr'd Met. (c)	200	½	—	6	5	10	1	"
Gr'd Met. (p)	160	7	30	12	14	16	—	"
Gr'd Met. (p)	180	18	—	23	1	26	—	"
Gr'd Met. (p)	200	35	—	35	3	36	—	"
ICI (c)	240	24	10	34	—	42	5	256p
ICI (c)	260	10	40	22	36	30	—	"
ICI (c)	280	3	7	14	—	20	1	"
ICI (c)	300	1	—	9	10	12	—	"
ICI (c)	330	½	1	3	—	—	—	"
ICI (p)	240	4	2	9	—	16	—	"
ICI (p)	260	13	—	148	1	22	—	"
Land Sec. (c)	260	25	—	35	2	45	—	281p
Land Sec. (c)	288	8	—	19	30	—	—	"
Land Sec. (c)	330	—	—	—	—	12	6	"
Mks & Sp (c)	110	9	11	15	5	19	—	116p
Mks & Sp (c)	120	3	2	8½	5	14	—	"
Mks & Sp (c)	140	¼	—	3	—	5	1	"
Shell (c)	300	32	10	44	2	50	—	326p
Shell (c)	330	11	—	24	2	33	3	"
Shell (c)	420	¼	—	3	—	6	10	"
Shell (p)	330	12	—	18	—	22	20	"
Shell (p)	360	32	—	34	1	36	—	"
Shell (p)	420	92	—	94	—	96	10	"
		November		February		May		
Barclays (c)	420	15	5	52	—	40	—	408p
Imperial (c)	60	2½	—	4½	5	5½	—	58p
Lasmo (c)	390	75	2	85	2	97	—	454p
Lasmo (c)	420	45	7	60	1	67	—	"
Lasmo (c)	460	25	4	40	—	50	—	"
Lasmo (c)	500	15	3	27	—	37	—	"
Lasmo (c)	550	10	10	20	1	25	—	"
Lonrho (c)	80	3	—	7	—	8½	6	75p
Lonrho (c)	90	½	—	3½	—	4	5	"
Lonrho (p)	80	7	10	9	—	11	67	"
Lonrho (p)	90	16	14	17	2	18	—	"
Lonrho (p)	100	26	64	27	—	—	—	"
P & O (c)	110	½	4	6	—	9	—	103p
P & O (c)	120	1	—	3	15	5½	4	"
Racal (c)	360	42	1	60	—	75	—	388p
Racal (c)	390	23	39	40	—	55	—	"
Racal (c)	420	12	113	25	1	38	1	"
Racal (c)	460	3	25	13	—	25	—	"
Racal (c)	500	1½	20	6	—	15	—	"
Racal (p)	360	15	—	22	8	25	—	"
Racal (p)	390	25	56	32	—	35	—	"
Racal (p)	420	40	5	45	—	47	—	"
Racal (p)	460	73	10	75	—	77	—	"
RTZ (c)	500	15	—	34	5	47	—	459p
RTZ (c)	600	7	10	17	—	22	—	"
RTZ (c)	650	2	—	8	10	—	—	"
Vaal Rfs (c)	60	11½	24	15½	2	E7¼	—	568½
Vaal Rfs (c)	70	4½	5	7¾	1	10¾	—	"
Vaal Rfs (c)	60	2½	4	5¼	1	7¼	—	"

C=Call   P=Put

WORLD STOCK MARKETS

Early rise of 4.67 on Wall St

STOCKS WERE higher at mid-session on Wall Street as investors found positive implications in news that unemployment last month rose to its highest level since May.

The Dow Jones Industrial Average was up 4.67 to 856.93 at 1 pm and the NYSE All Common Index showed an 88c gain to $68.38. Advances led declines by 10 to three as volume increased to 36.99m shares against 30.19m at 1 pm on Thursday.

The rise in the unemployment rate, to 7.5 per cent last month against 7.2 per cent in August, reflected a slowing economy which could ultimately result in lower interest rates, analysts said.

Mr Michael Metz, of Oppenheimer and Company, said Bonds exhibited strength in the morning and stocks often follow the performance of the credit markets.

Analysts noted that yesterday's breadth figures were the best since the market started to rally earlier in the week, indicating growing confidence that the recent gains will hold.

The Dow Jones Average rose almost 24 points in the first two days of the week. It then showed only slight rises the next two days on lesser volume while investors waited to see whether prices would turn down again.

Oil stocks were among the strongest performers. The gains were attributed to continued speculation that the Reagan Administration may impose an import tax on oil.

Atlantic Richfield added $1¾ to $41¾, Superior $1½ to $33¾, Standard California $1¼ to $39⅞ and Marathon $1½ to $59⅞.

THE AMERICAN SE Market Value Index was 6.56 higher at 306.56 at 1 pm. Turnover rose to 3.55m shares (2.72m).

Canada

Stocks were higher at noon, helped by a jump in Oil and Gas issues. Renewed takeover speculation boosted prices on Thursday and generated carry-over buying yesterday.

The Toronto Composite Index was up 13.9 to 1,916.1. Oil and Gas issues were up 64.9 to 3,718.4. Eleven of the 14 major indices were higher. Metals, Real Estate and Construction and the Transportation indices showed modest losses.

Closing prices for North America were not available for this edition.

Tokyo

Share prices closed mixed with a clear contrast of heavy losses in Blue Chips against sharp gains in low-priced issues in active trading.

The Nikkei-Dow Jones Market Average gained 11.22 to 7,377.13 on volume of 620m shares, while the Tokyo Stock Exchange index shed 2.46 to 541.12.

The Government's economic measures announced yesterday inspired cheap issues in Constructions, Petrochemicals, Paper-Pulps, Foods and Synthetic Fibres. But the overnight steadiness on Wall Street failed to encourage international Blue Chips here, which came under the heavy pressure of profit-taking and liquidation in margin trading.

Big Capitals, such as Steels, Shipbuilders and Heavy Electric Machines, suffered major losses. Hitachi lost Y25 to Y645, Mitsubishi Electric Y22 to Y318, Nippon Steel Y6 to Y193, Sumitomo Metal Y7 to Y241, Kawasaki Heavy Industry Y11 to Y246 and Mitsubishi Heavy Industry Y9 to Y261.

Light Electricals, Precisions and many other Blue Chips were sold because of their high level outstanding balances of margin buying. Foreign investors also sold them to take profits.

Germany

Leading shares closed higher in active trading, with dealers reporting strong buying interest from foreign and domestic institutional buyers.

Dealers were unable to explain such brisk demand ahead of the weekend. The Commerzbank Index rose 13.8 to 689.1.

KHD rose DM 6.50 to DM192 in Engineerings, Linde DM 5.50 to DM 327, GHH DM 3.20 to DM 213 and Mannesmann DM 2 to DM 149.90.

Preussag was again in demand, gaining DM 6.60 to DM 187.70, and Metallgesellschaft added DM 6 to DM 290. In Cars Daimler improved DM 3.80 to DM 333.60, BMW DM 2.80 to DM 182.80 and VW DM 1.30 to DM 129.80.

Chemicals were strong, with Hoechst rising DM 3.50 to DM 124, Bayer the same to DM 123.80 and BASF DM 3 to DM 137.20.

Sel featured in Electricals with a rise of DM 14 to DM 267. Kaufhof led Stores up DM 3 to DM 162.

In mixed Banks Commerzbank was up DM 2 at DM 127 and Deutsche DM 1 at DM 266, but Dresdner fell DM 1.50 to a 1981 low of DM 128.50 on continuing speculation that it will pay no dividend this year.

In the Domestic Bond market pricest of Public Authority paper rose by as much as 1.00, largely in reaction to the weaker dollar and favourable reception given to the DM 1bn Post Office loan.

Switzerland

Share prices continued to fall. The biggest losses were recorded in the Insurance sector, where most issues were actively traded on their year's low.

Among Financials, Oerlikon-Buehrle bearer was again broadly easier in high volume, closing at SwFr 1,515 after Thursday's SwFr 1,560. Dealers said there is still downwards potential for Buehrle shares as the market fails to absorb the paper sold except at easing prices.

Other Financials were mainly easier. Banks were generally a little lower while Industrials were on the whole steady. Foreign and Domestic Bonds traded mixed.

Hong Kong

Share prices recovered slightly near the close after declining all day on lack of buying support.

The Hang Seng Index lost 25.90 to finish at 1,233.26.

Dealers said the outlook for the market was mixed, and most operators were cautious.

Among the leaders, Cheung Kong lost HK$1 to HK$20.20, and HK Bank 20c to HK$13.40.

Hutchison Whampoa was HK$14 ex-div, against its previous HK$14.40 ending, while Jardine declined to HK$14.20 from Thursday's HK$14.70.

Swire "A" advanced for the third consecutive day to finished the week at HK$11.40.

Australia

A promising oil flow in South Australia's Eromanga Basin helped the market finish the week on a firmer note.

News from Delhi Oil that the Dullingari 13 DM9 well had flowed oil at the rate of 1,090 barrels a day saw partner Santos finish 30c up at A$4.30. Vamgas, which also has an interest in the well, firmed 20c to A$10.20.

CSR led heavyweights with a 17c rise to A$4.45 as the All Ordinaries Index put on 4 to 574.8.

Bougainville continued to weaken following news that production at its New Guinea mine had been curtailed by a Federal-provincial dispute. Bougainville shares slid 5c to A$1.25 but its parent, CRA, managed a 1c gain to A$3.35.

MIM rose 5c to A$3.80, WMC firmed 7c to A$4.60, Peko was steady at A$6.10, BHP added 10c to A$10.40, EZ was 10c lighter at A$5, Woodside put on 2c to A$1.27 and Woolworths was down 1c to A$1.69.

Bank of NSW picked up 2c to A$2.95 and ANZ Bank 7c to A$4.95.

Johannesburg

Golds closed mixed with a firmer bias following bullion price rise, but trading was thin.

Heavyweight Producers had Harties up 275c at R74.50 but otherwise gains ranged to 150c and losses to 100c.

Indices

NEW YORK —DOW JONES

	Oct. 1	Sept. 30	Sept. 29	Sept. 28	Sept. 25	Sept. 24	1981 High	1981 Low	Since Cm'pil't. High	Since Cm'pil't. Low
●Industr'ls	852.04	849.33	847.83	842.56	824.01	835.14	1024.05 (27/4)	824.01 (26/9)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	54.95	55.65	55.71	56.47	57.04	57.59	65.76 (16/1)	54.95 (1/10)	—	—
Transport.	355.54	350.05	351.02	344.71	335.46	345.72	447.38 (16/4)	335.46 (25/9)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	101.58	102.21	101.62	101.28	102.21	104.01	117.81 (5/1)	101.28 (28/9)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000's	41,500	40,780	49,500	61,220	55,030	48,880	—	—	—	—

●Day's high 855.88 low 840.47.

Ind. div. yield %	Sept. 25	Sept. 18	Sept. 11	Year ago (approx
	6.66	6.58	6.35	5.73

STANDARD AND POORS

	Oct. 1	Sept. 30	Sept. 29	Sept. 28	Sept. 25	Sept. 24	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	131.17	130.04	129.73	129.36	125.93	128.49	157.02 (6/1)	128.45 (24/9)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	117.08	116.18	115.94	115.53	112.77	115.01	138.12 (6/1)	115.01 (24/9)	140.52 (28/11/80)	4.40 (1/6/32)

	Sept. 30	Sept. 23	Sept. 16	Year ago (approx
Ind. div. yield %	5.50	5.52	5.36	4.58
Ind. P/E Ratio	7.94	7.90	8.15	8.82
Long Gov. Bond yield	15.08	14.30	14.13	11.79

NY. S.E. ALL COMMON

Oct. 1	Sept. 30	Sept. 29	Sept. 28	1981 High	1981 Low
67.50	67.00	66.85	66.43	79.14 (6/1)	64.96 (25/9)

Rises and Falls

	Oct. 1	Sept. 30	Sept. 29
Issues Traded	1,872	1,872	1,874
Rises	832	773	1,188
Falls	622	723	372
Unchanged	418	376	314
New Highs	2	2	3
New Lows	54	61	67

MONTREAL

	Oct. 1	Sept. 30	Sept. 29	Sept. 28	1981 High	1981 Low
Industrials	324.90	316.01	316.55	313.60	409.56 (27/5)	310.21 (25/9)
Combined	305.32	300.74	302.01	296.86	376.28 (15/6)	295.57 (25/9)
TORONTO Composite	1902.2	1655.4	1934.8	1865.4	2379.8 (10.4)	1812.48 (25/9)

	Oct. 2	Oct. 1	Sept. 30	Sept. 29	1981 High	1981 Low
AUSTRALIA						
All Ord. (1/1/80)	574.8	570.8	575.5	567.7	737.5 (6/4)	563.5 (26/9)
Metal & Minrls (1/1/80)	(u)	468.1	477.5	463.9	755.2 (7/1)	463.8 (28/9)
AUSTRIA						
Credit Aktien (2/1/62)	54.54	54.47	54.48	54.59	66.45 (5/1)	54.0 (21/8)
BELGIUM						
Belgian SE (31/12/63)	71.95	71.52	71.95	72.43	86.15 (17/2)	69.53 (16/6)
DENMARK						
Copenhagen SE (1/1/73)	111.22	111.46	111.43	111.38	118.00 (25/8)	95.88 (2/1)
FRANCE						
CAC General (29/12/61)	91.8	92.0	92.1	91.4	112.5 (17/3)	77.3 (15/6)
Ind Tendance (31/12/80)	99.4	99.0	99.1	99.0	108.3 (18/9)	79.2 (12/6)
GERMANY						
FAZ-Aktien (31/12/58)	224.37	220.65	221.48	222.81	248.47 (6/7)	216.88 (9/2)
Commerzbank (Dec 1953)	689.1	675.3	677.8	681.5	749.0 (3/7)	666.4 (16/2)
HOLLAND						
ANP-CBS General (1970)	84.3	82.8	81.4	82.2	96.8 (20/8)	78.6 (28/9)
ANP-CBS Indust (1970)	65.7	64.5	64.0	64.8	75.4 (22/6)	62.8 (28/9)
HONG KONG						
Hang Seng Bank (31/7/64)	1233.26	1259.16	1280.15	1218.20	1810.20 (17/7)	1218.20 (29/9)
ITALY						
Banca Comm Ital (1972)	197.29	198.28	197.79	196.98	292.03 (5/6)	166.44 (24/7)
JAPAN						
Dow Average (16/5/49)	7377.13	7365.91	7456.58	7357.68	8019.14 (17/8)	6956.92 (16/3)
Tokyo New SE (4/1/68)	541.12	543.58	550.27	546.67	605.82 (17/8)	495.79 (5/1)
NORWAY						
Oslo SE (1/1/72)	131.15	126.54	124.84	122.74	145.72 (6/8)	110.64 (3/6)
SINGAPORE						
Straits Times (1966)	655.21	642.35	649.88	642.68	873.26 (25/5)	615.26 (1/9)
SOUTH AFRICA						
Gold (1958)	(u)	687.4	(u)	676.7	797.6 (7/1)	473.6 (3/7)
Industrial (1958)	(u)	682.1	(u)	678.4	691.8 (25/9)	557.2 (3/2)
SPAIN						
Madrid SE (30/12/80)	155.78	156.98	157.28	156.46	146.13 (8/9)	100.46 (2/1)
SWEDEN						
Jacobson & P. (1/1/58)	641.89	638.13	636.74	623.72	660.31 (10/3)	404.17 (20/1)
SWITZERLAND						
SwissBankCpn. (31/12/58)	248.5	243.6	252.4	255.5	304.2 (2/4)	248.5 (2/10)
WORLD						
Capital Intl. (1/1/70)	—	—	156.5	156.6	162.8 (6/1)	133.8 (28/8)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Exxon	1,132,200	30¼	− ½	Southern	457,600	11⅛	− ½
Am. Tel. & Tel	556,600	58	+ ⅛	Cenco	437,300	16⅛	− ⅛
Sony	488,100	16⅛	− ⅛	South'n Pacific Rylty.	407,800	36	+ 1½
IBM	461,500	54	− ⅛	Atl. Richfield	404,000	40⅛	+ ½
Grumman	460,200	30⅛	− 3	Std. Oil Indiana	336,200	54½	− 2¼

BASF to expand video tape output

By Our Financial Staff

BASF, the West German chemical group, will invest DM 100m ($43m) to expand production facilities for videocassettes, the company said yesterday.

BASF plans to use the funds to expand output of video tape at its plant in Kehl am Rhein, as well as to build a new injection moulding plant for plastic cassette parts on a site in Ettenheim.

The company said that the new plant in Ettenheim, where construction will begin early next year, will create about 240 new jobs and the expansion of the Kehl am Rhein plant will create 450 jobs.

The decision to expand videocassette production was based on what BASF called a cautious estimate that worldwide demand for videocassettes would double to 360m units per year during the next two years.

● The West German Cartel Office has allowed AEG-Telefunken, West Germany's second largest electrical group, and Bauknecht, a family-held electrical company, to merge their electric motor production in a joint venture company in which each would hold a 50 per cent interest.

AEG and Bauknecht have sales in this sector approaching DM 400m ($172m) and a joint workforce of about 7,000.

The Cartel Office said that while the joint venture would combine the market shares of two major producers of medium-sized and small electric motors, the move would not restrict competition.

The agency noted that the market for such equipment was highly competitive from other domestic producers such as Siemens.

CONCERN OVER ENERGY AND FREIGHT COSTS

Alusuisse leaves New Zealand project

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S proposed NZ$650m (US$540m) Aramoana aluminium smelter project has suffered two setbacks in quick succession. First Alusuisse, the Swiss aluminium group, has pulled out claiming that the project would suffer energy and freight cost disadvantages.

Then CSR, the Australian natural resources group, said it has postponed a final decision and was reconsidering its participation. Like Alusuisse, it has a 25 per cent stake.

Fletcher Aluminium, the New Zealand company holding the remaining 50 per cent stake, said it had already begun talks on taking over the Alusuisse stake.

There have been suggestions that at least two companies, in Japan and the U.S., are interested in the deal.

The CSR move to defer its final decision until the end of the year will be another blow to Fletchers and to the New Zealand Government's hope of getting the project off the ground early next year.

Prime Minister Robert Muldoon's government has pointed to the smelter as a major step in its energy-development policy for the next decade, and has featured it highly in the National Party's November election manifesto.

The Labour Party, which has been opposed to Aramoana and to the energy policy in general, claims the default of Alusuisse is a death blow to National's growth strategy.

CSR, which has been making its own assessment of the viability of Aramoana, said last night that it was taking a very cautious approach and had a number of options open to it.

Irrespective of who finally joins Fletchers, a new contract for the supply of electric power will have to be negotiated. It is understood that the power price set by the Government was a determining factor in the decision of the Swiss partner to pull out.

It is also understood that the price was to be 1.7 cents a kilowatt. This compares with 1.5 cents for relatively modern smelters in the U.S. and Canada, and even a reported 0.2 cents a kilowatt for some older U.S. smelters. Some African countries also offer cheap electric power.

Alusuisse was to provide technology and know-how to produce sheet aluminium. With the company's withdrawal, the smelter—if it goes ahead—will produce ingots, a less valuable product.

The smelter has been planned to have a capacity of 200,000 tonnes a year, starting up in about 1984.

Mr Hugh Fletcher, managing director of Fletcher, said: "The project is a different deal now. We need to renegotiate the power contract, because the elements of the downstream production change the nature of the contract. We will be asking for an internationally competitive power price."

The withdrawal of Alusuisse and the deferred decision by CSR has surprised many New Zealanders, who thought the project was signed and sealed.

Fletcher are confident they will quickly find a new partner, but a strong element of doubt now lies over the whole project.

Aramoana has been the centre of widespread controversy on political and conservation grounds. Conservationists, who have bitterly fought the locating of the smelter at Aramoana—a beautiful coastal area—are jubilant at the Alusuisse decision.

There was another blow to the Government's strategy last night with the refusal by Mobil Oil of the U.S. to sign an agreement to go ahead with a proposed synthetic petrol plant until after the election.

Larger loss for French textile group

By Terry Dodsworth in Paris

DOLLFUS-MIEG, one of the leading French textile companies, reported consolidated losses of FFr 53.5m ($9.8m) in the first half of this year, which compare with losses of FFr 22.1m in the same period of last year. The steeper plunge illustrates the continuing crisis in the textile sector. Demand dropped sharply in the 18 months up to June of this year, while French manufacturers were also hit by an increase in imports of cheaper products.

In addition, Dollfus-Mieg says that it has been financing a reorganisation scheme designed to shed non-profitable activities. This has mainly affected its business in France, where its Texunion French subsidiary lost FFr 58.8m.

The low level of activity in France during the first half of the year is shown in the group turnover, which rose by only 3.1 per cent to a consolidated figure of FFr 2.5bn.

Bonn offers to aid Krupp/Estel link

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH-German steel group Estel Hoesch-Hoogovens and Krupp of West Germany may be forced into a co-operation agreement in order to gain West German Government aid. The two companies have completed several months of technical discussions and will shortly start talks at managing board level over working together.

The Bonn Government is keen to avoid the two companies making wasteful overlapping investments at their Ruhr steel plants. Hoesch, the German arm of the Estel group, is restructuring its Dortmund steel works while Krupp Stahl has plans for major investments at nearby Bochem.

Estel and Krupp announced in July last year that they had begun discussions over a possible co-operation agreement, including joint ventures, avoiding production overlaps and long-term delivery arrangements. These talks led to nothing however and were finally allowed to lapse.

The first round of talks were begun on the initiative of the two companies concerned while this time round it is the German Government which is behind the idea, Estel said.

The Bonn Government's involvement once again raises the question of whether Estel will survive as a bi-national company. The German authorities' keenness to set up a national aerospace industry was a major reason for the failure of the link between Fokker and Vereinigte Flugtechnische Werke of Bremen.

However, Estel yesterday repeated earlier denials that the future of the group was under threat. The company knows of no plans to involve any other steel companies in the talks and successful co-operation between Hoesch and Krupp would strengthen the Estel group, it said.

Estel proposes closing down two of its steel works in Dortmund over the next 10 years and concentrating activity at its Westfalenhuette site. Estel wants the German Government to meet DM1.6bn ($689m) of the estimated DM2.7bn cost. Additional plans to replace obsolescent Siemens-Martin steel-making capacity with an oxygen steel plant have been dropped.

IC claims bid for Sunbeam is oversubscribed

By Our New York Staff

IC INDUSTRIES, the Chicago railway and diversified industrial company, said yesterday that its cash tender offer for Sunbeam, the maker of home electrical appliances, had drawn 9.8m shares as of Thursday night, more than the 7.25m it is bidding for. But the offer lasts until October 13, and IC said it will not announce the proration rate until after that date.

Under the terms of the deal, IC Industries will exchange the remaining outstanding Sunbeam shares of its own stock.

Sunbeam has rejected the $450m bid and has launched anti-trust litigation to try to prevent it from going ahead.

Hart Schaffner up

Hart Schaffner and Marx, a leading U.S. men's clothing maker and retailer, reported accelerated profit and sales growth for the third quarter and expects the favourable trend to continue for the rest of the year.

Net profits rose 36 per cent to $8.2m on a 26 per cent increase in sales to $202.8m. This brought nine months' earnings to $19m on sales of $594.8m, gains

Union Wine refuses to register shares in wine industry battle

BY JIM JONES IN JOHANNESBURG

THE EVENTS of March threatening the stability of the South African stock market system, when the share price of Union Wine, the liquor retailer, was chased up in two days from 200 cents to 1,900 cents before trading in its shares was suspended, have refused to die away.

This week a request by Central Merchant Bank (Senbank) that 943,538 Union Wine shares, or 22.8 per cent of the capital that it had bought in March be registered in the bank's name was refused by Union Wine.

The incident, which left Kirsh Industries in control of Union Wine, despite a blocking move by Cape Wine, has its roots in the November 1979 reorganisation of the South African liquor industry. That resulted in the emergence of South African Breweries as the country's only beer producer and with Cape in control of about 80 per cent of the country's wine production.

Cape Wine was then a company newly-formed, to hold the wine interests of SA Breweries and of the Rembrandt Group, and some of the spirits manufacturing interests of the Koöperatiewe Wijnbouwers Vereniging (KWV).

Early in 1980, after the 1979 liquor industry reorganisation, legislation was brought in aimed at splitting the manufacturing and marketing sides of the liquor industry. This limited the number of liquor retail outlets which could be owned by any one company. But it gave Union the right to expand its retail chain to 150 outlets, and so to become the largest liquor retailer. The legislation's intention was to establish horizontal rather than vertical integration.

All was apparently well, until March 1981, when a proposed merger of Union's retail operations with the wholesale operations of Kirsh Industry's Metro Cash and Carry business threatened to produce a strong buyer which threatened Cape's near monopoly position in wine. So Cape, through Senbank, tried to buy a blocking shareholding in Union.

Union's argument is that Cape cannot own Union shares as that would contravene legislation passed in 1980. But Cape had hoped that it might acquire sufficient shares in Union to prevent any marketing agreement between Metro and Union.

Cape failed in that bid, but the shares were left in the hands of Senbank. Union's management now argues that Senbank is not the owner of the shares—as in March Cape had said it was the buyer. Given the true owner as being Cape, says Union, it wants no part in what it sees as a contravention of the law. Also, if Senbank is the owner, it is necessary, argues Union, for two lots of transfer duty to be paid.

Union claims separately, however, that the shares were not bought by Senbank for its own account in March, as in the recent Cape financial report provision was made for writing down the book value of the holding in Union.

The arguments Union brings forward have broad implications. If the argument reaches the courts, as seems to be the intention, a ruling will have to be made to clear up many of the grey areas in the 1980 liquor legislation.

U.S. securities industry posts record profits

By Our Financial Staff

THE U.S. securities industry achieved record pre-tax earnings last year of $2.7bn, up 85 per cent from 1979, according to the Securities and Exchange Commission.

"High market volume boosted commission revenues, while firms apparently dealt successfully with fluctuating interest rates, earning profits from their trading and investment accounts as interest rates rose and reaping exceptional gains when rates dropped," the commission said.

"Underwriting profits displayed new life as the volume of new issues showed its first significant increase since 1975."

The consolidation of the industry's 2,444 members is continuing with the eight largest firms accounting for 50 per cent of the industry's assets, compared with 45 per cent in 1975.

COMMODITIES/REVIEW OF THE WEEK

U.S. price cuts hit lead and zinc

BY OUR COMMODITIES STAFF

METAL MARKETS came under pressure this week, first from the fall in share values spreading gloom, and then from cuts in U.S. producer prices for copper, lead and zinc.

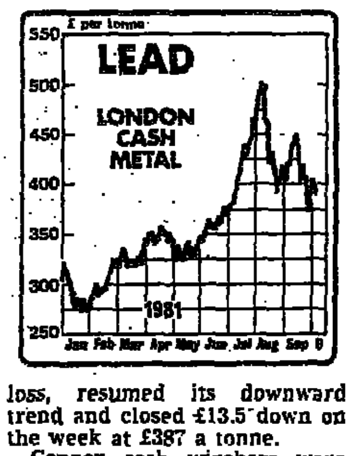
There were heavy losses on "black" Monday, which were only partially regained the following day and values came under renewed pressure later in the week when a leading U.S. producer, Asarco, announced it was cutting its U.S. domestic selling price for zinc by 4.25 to 45.50 cents a lb, lead by 2 cents to 38 cents a lb, and following other producers in reducing its copper to 81 cents a lb. Yesterday St Joe Minerals announced similar cuts in its lead and zinc quotations.

The size of the zinc price cut in particular took the London market by surprise. It has raised doubts as to whether the European producer zinc price can be sustained at its recently established level of $1,000 a tonne.

On the London Metal Exchange cash zinc closed last night £35 down on the week at £466.5 a tonne, losing £11.5 yesterday.

The move by Asarco, and later St Joe, to reduce lead prices in the U.S. to 38 cents depressed the market, since previously Canadian producers had only lowered their prices to 40 cents—still above London levels.

Cash lead, which had rallied strongly midday from Monday's loss, resumed its downward trend and closed £13.5 down on the week at £387 a tonne.



Copper cash wirebars were £39.25 lower at £906.75 a tonne. The market was depressed by the U.S. price cuts, higher UK interest rates and the ending of the 43-day old strike by Southern Peru workers at the Toquepala mine and a quick return to work at Noranda's big Horne copper smelter in Quebec following agreement of new labour contracts.

The commencement this week of buffer stock buying of cocoa under the new International Cocoa Agreement (ICA) helped to strengthen the market though the response was far from dramatic. The December position on the London futures market reached an 18-month high of £1,315 a tonne at one stage but ended only £12 up on the week at £1,307.50 a tonne.

The buffer stock buying began at a price of $3,330 a tonne which was lifted during the week to $2,410. A buying level of $2,415 a tonne has been set for next Monday. Total purchases for the buffer stock reached 31,370 tonnes, somewhat below the 35,000 tonnes weekly limit. Physical cocoa prices gained ground during the week but remained about 4 cents a pound below the ICA "floor" level of 110 cents a lb.

Coffee prices fell modestly as roasters continued to stay away from the market. The November futures position closed yesterday at £1,066.50 a tonne, down £18 on the week. The decline came in spite of the new International Coffee Agreement coming into force on October 13 limiting export quotas to a modest 13m bags for the first three months unless prices rise.

Confirmation that EEC members would back a plan to stockpile an extra 2m tonnes of surplus sugar failed to lift the world market. In London the March futures position ended £1.725 down at £179.625 a tonne.

The natural rubber market continued under pressure though currency movements prevented a substantial fall in the Eastern price being fully reflected in London. Nevertheless spot rubber on the London physical market ended 0.5p lower at 53.5p a kilo. The continued fall was attributed mainly to slack demand which increased stock holding by Malaysian producers has failed to counteract.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£760/70
Free Markets c.i.f.	$1135/1165	—15	$1600/650	$1500/1530	$1115/145

MARKET REPORTS

BASE METALS

BASE METAL PRICES were generally easier on the London Metal Exchange yesterday, with Lead down to £404.5, Zinc at £490 and Nickel at £2,855. Copper closed unchanged at £943.5, while Tin edged upwards to £8,220 and Aluminium to £654.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	900-901	—9.25	906-7.5	—.25
3 mths	934-5	—14.2	941.5-2	—3.5
Settlem't	901	—9	—	.....
Cathodes				
Cash	897-.5	—9	907-8	+2.5
3 months	928.5-9	—14.2	957-8	—1.5
Settlem't	897.5	—9.5	—	.....
S. Prod	—		*79.5	

Amalgamated Metal Trading reported that in the morning copper cash wirebars traded at £900. Higher Grade three months £933, 32.5, 32, 32.5, 33, 32.5, 32, 33, 34, 35, 34.5. Standard Cathodes: Cash £897, 97.5, 97, three months £928, 29. Kerb: Wirebars three months £934, 34.5, 34, 33.5, 33, 32.5. Afternoon: Wirebars, three months £939, 39.5, 39, 38.5, 40, 41, 42, 42.5, 43, 42.5, 42, 41.5, 41, 42. Cathodes: three months £937. Kerb: Wirebars, three months £940, 41, 41.5, 42, 43, 42, 43, 43.5.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8205-10	—50	8195-215	.....
3 months	8310-20	—12.5	8305-15	+5
Settlem't	8210	—50	—	.....
Standard				
Cash	8205-10	—50	8195-215	.....
3 months	8310-20	—12.5	8305-15	+5
Settlem't	8210	—50	—	.....
Straits E.	$55.44	.....	—	.....
New York	—	.....		

Tin—Morning: Standard, cash £8,215, 10, three months £8,315, 10, 8,300, 10, 20, 25, 15. Kerb: Standard, three months £8,310. Afternoon, Standard, three months £8,310, 15, 20, 25, 20, 15, 10. Kerb: Standard, three months £8,320, 25.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	386-7	—28.7	386.5-7.5	—12.5
3 months	397.5-8	—28.5	398-.5	—12.2
Settlem't	387	—28.5	—	.....
U.S. Spot	—	.....	*38.44	.....

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2730-50	—10	2740-60	—55
3 months	2840-50	—12.5	2850-60	—22.5

* Cents per pound. ‡ MS per kilo. † On previous unofficial close. ⊕ High grade cathodes deliverable from Sept 1.

SILVER

COCOA

COFFEE

GAS OIL FUTURES

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent Oct 112.40, Nov 113.75, Dec 115.75 transhipment East Coast sellers. U.S. Hard Winter 13½ per cent Oct 120.00 transhipment East Coast seller. English Feed fob Nov 111.50 East Coast seller. Barley: English Feed fob Oct 104, Nov 106, Dec 108, April/June 114.75 sellers East Coast, Oct 103.75 paid East Coast

RUBBER

SOYABEAN MEAL

SUGAR

AMERICAN MARKETS

NEW YORK, Oct 2.

As interest rates backed off, precious metals rallied correspondingly on solid technical and speculative support. Cocoa was fractionally higher on further buffer stock buying. A massive rally in the livestock complex in response to bullish fundamentals more than offset the previous

Tin—687.00-695.00 (686.00-695.00).

CHICAGO, Oct 2.

Live Cattle—Oct 65.90-65.80 (65.17), Dec 66.80-66.85 (65.65), Feb 64.77-64.80, April 64.90-64.85, June 65.32-65.85, Aug 65.35, Oct 64.30.

Cotton—No. 2: Oct 64.40-64.80 (63.50), Dec 64.90-64.88 (64.92), March

(cents per cwt of U.S. No. 2 long grain): Nov 1933, Jan 1959, March 1994, May 2036.

INDICES

FINANCIAL TIMES

Oct. 1	Sept. 30	Month ago	Year ago
260.71	260.83	260.31	273.32

(Base: July 1, 1952=100).

MOODY'S

Oct. 1	Sept. 30	Month ago	Year ago
1008.5	1008.4	1026.7	1312.2

(December 31, 1931=100)

DOW JONES

Dow Jones	Oct. 1	Sep. 30	Month ago	Year ago
Spot	354.73	355.81	352.52	457.61
Fut'rs	371.85	372.10	370.73	479.38

(Average 1924-25-26=100)

REUTERS

Oct. 2	Oct. 1	M'nth ago	Year ago
1666.1	1675.5	1649.7	1739.5

(Base: September 18, 1931=100)

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 390, 398, nil; Dec 392, 396, 393-392; Jan 393, 395, 394-393; Mar 403, 405, 405-402; May 412, 416, 410; Aug 422, 425, 423-421; Oct 426, 429, 428-425; Dec 431, 434, 432-429; Jan 432, 436, 433-432; Mar 440, 445, 442. Sales: 112.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 486.5, 488.0, 486.5-484.2; Dec 495.5, 496.5, 497.5-495.0; Mar 506.5, 507.0, 508.0-505.0; May 516.5, 517.0, 517.0-516.5; July 523.5, 524.0, 523.0-522.0; Oct 519.0, 520.0, 520.0; Dec 525.5, 526.0, 525.0-523.0; Mar 531.0, 532.0, 532.0. Sales: 295.

POTATOES

LONDON POTATO FUTURES—The market was under continued pressure all day as profit-taking from the recent rise, together with slightly improved weather in the southern part of the country affected sellers, reports Coley and Harper. Closing prices Nov 78.20, −2.00, (high 80.40, low 78.20); Feb 92.20, −2.20, (high 94.00, low 91.90); April 105.20, −2.70, (high 108.00, low 105.10). Turnover: 383 (605) lots of 40 tonnes.

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.40-6.60, codlings £3.50-4.50. Large haddock £4.60, small £1.80. Large plaice £4.60-£5.60, medium £4.40-£5.80, best small £3.50-4.40. Skinned dogfish (large) £9.00-10.00, (medium) £8.30-9.00. Lemon soles (large) £12.00, (medium) £10.00. Rockfish £1.80-3.40. Reds £2.50. Saithe £2.40-3.00.

Merseyside to get £3m European loan

THE EUROPEAN Investment Bank has made loans equivalent to £3m to Merseyside County Council for construction of part of the Liverpool Inner Ring Road. The loan is for 12 years at an interest rate of 14.25 per cent. The EIB is the EEC's bank for long-term finance.

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those shares in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ● Bargains done previous day. $A—$Australian: $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (466)

BREWERIES (368)

COMMERCIAL (6,650)

A—B

AAA Industries 32 ¼ 3 4
A.A.H. 161
A.B. Electronic Products Group 92 3 6
AE PLC 39 ½
AGB Research (10p) 198½ 8 ½ 200 2
AJ Industrial Products 12½ 3
A.P.V. Holdings (50p) 213 5
Aaronson Bros (10p) 40
Abbey (I£0.25) 39
Abbey Panels Investment 75●
Abbott Laboratories 13¼ (28/9)
Abercom Group (R0.30) 175●
Aberdeen Construction Group 158 (30/9)
Aberthaw Brist Chan Port Cem 265 (28/9)
Abwood Machine Tools (10p) 8½ (28/9)
Acrow 67 (29/9). N-Vtg 35 6 7 8. 8pc Ln 1992-2002 46●
Adams Gibbon 77 (29/9)
Advance Services (10p) 57 (29/9)
Adwest Group 132 3 4
Aero Needles Group 22 4 (30/9)
Aeronautical General Instruments 233 5 40
African Lakes Corp 30
Airflow Streamline PLC 13 (29/9)
Akzo NV Ord (Fl 20) $7.95 (30/9)
Albion (20p) 9½ (30/9)
Alcan Aluminium Shs of NPV 11⅝ 2 3 (28/9)
Alexanders Hldgs (10p) 9¾
Allebone Sons (10p) 19½ 20
Allen (W. G.) Sons (Tipton) 42 (28/9)
Allied Colloids Group (10p) 120 1 2 3
Allied Plant Group (10p) 23½ (29/9)
Allied Residential (10p) 20 (29/9)
Allied Textile Cos. 135
Alpine Hldgs (5p) 58 9
Alpine Soft Drinks (10p) 64●
Amalg. Metal 370
Amber Day Hldgs. (20p) 14
Amber Indl. Hldgs. (10p) 23 (28/9)
American Medical Intnl ($1) 21¼ (29/9)
Amstrad Consumer Electronics 145 50 (30/9)
Anchor Chemical Group 69 (29/9)
Anderson Strathclyde 67½ 8½
Anglia Television Group A 74 8
Appleyard Group of Cos. 56 9
Applied Computer Techniques (Hldgs.) (10p) 100
Aquascutum Group (5p) 26 7 (29/9). A (5p) 22 3
Arcolectric (Hldgs.) (5p) 18 (30/9) A 13
Arenson (A.) (Hldgs.) (10p) 36 (29/9)
Argyll Foods (10p) 87 8 9
Ariel Inds. 22¼
Arlen Electrical 31 (30/9)
Arlington Motor Hldgs. 77●
Armstrong Equipment (10p) 34 ½
Arncliffe Hldgs (10p) 30
Arrow Chemicals Hldgs. 39 (30/9)
Ash and Lacy 230
Ashley Industrial Trust 39 (25/9)
Assoc. Biscuit Mnfrs. (20p) 57 60
Assoc. Book Publishers (20p) 288
Assoc. British Engg. (12½p) 27 ¼
Assoc. British Foods (5p) 123 4 5
Associated Communications 41 ½ 2 ¼ 3
Associated Dairies Grp. 160 2 3 4 ½ 6 8

BOC Intnl. 137 8 ½ 9 40 1 2. 9pcLn 108 9½ 10½ 1
BPB Inds. (50p) 232 ½ 3 4 6
BPC 20 ½ 1 ½ 2
B.P.M. Hldgs. N-Vtg. B 90 (30/9)
B.S.G. International (10p) 13½ 4

British American Film (5p) 75 6
British Aluminium (50p) 39 43
British-American Tobacco 5pcPf. (£1) 33 (28/9)
British Amer. Tobacco 10pcLn. 75
British Benzol Carbonising (10p) 19
British Car Auction (10p) 62 ½ 3 ½ 4 ½
British Cinematograph (12½p) 50 (28/9)
British Dredging 31. 8pcLn. 82
British Electric Traction 8pcPf. (£1) 51½ (30/9). Dfd. 122 3 4 6
British Home Stores 122 3 4 5 6 7. 9pcLn. 1992 93 4 6
British Mohair Spinners 43 ½ 4
British Northrop (50p) 12 (25/9)
British Shoe Hldgs. 6½pcPf. (£1) 43 (25/9)
British Steam Specialities (20p) 84 6 8
British Sugar (50p) 296 303 5
British Syphon Inds. (20p) 32 3 4 (29/9)
British Tar Prods. (10p) 24 6
British Vending Inds. (10p) 11½ 3 (30/9)
British Vita 140½ 1 3
Brockhouse 27 ¼ ½ 8
Broken Hill Prop. ($A2) 635 40 5 8 50 3 5. New ($A2) 640
Brony Eng. (10p) 12 3 (28/9)
Brook St Bureau (10p) 33 5
Brooke Bond Liebig 44 ½ ¾ 5 ½ 6
Brooke Tool Eng. 30 ¼ 1
Brooks Watson (Ir£0.20) 21
Brotherhood (Peter) (50p) 150●
Brown Jackson (20p) 30 2 3 4 6
Brown Tawse 112 ½ (30/9)
Brown Boveri Kent (Hldgs) 17 (29/9)
Brown Bros. (10p) 27½●
Brown (John) 68 70 ½ 1 3. New (Nil Pd.) 0¼ ½
Brown (N.) Invests. (20p) 68 (30/9)
Brownlee PLC 59
Brunning 67 (28/9). Rest. V. 50
Brunswick (NPV) $4 (28/9)
Bruntons 100 2 (30/9)
Bryant 50½ 5 ½ 6 ½ 7½ 8
Bulgin (A. F.) (5p) 23 5 (29/9). A (5p) 24 ½ 5 ½
Bullough (20p) 132 3 4 5
Bulmer Lumb (20p) 39 (30/9)
Bunzl Pulp Paper 117 8 9 20
Burco Dean 24 5
Burgess Prods. 39. A 24 (30/9)
Burndene Invests. (15p) 5 ½
Burnett Hallamshire £9 2 ½
Burns-Anderson (10p) 22½
Burroughs ($5) 17¼ (25/9)
Burroughs Machines 8pcDb. 59½ (28/9). 3¼pcLn. 86 (28/9). 5½pcLn. 69¾ 70 (29/9)
Burt Boulton (£1) 180 (29/9)
Burton Group (50p) 108 10 1 4. Wts to Sub 36
Butlin's 6½pcDb 65 (28/9)
Butterfield-Harvey 20½

C—D

C. H. Industrials (10p) 25
Cadbury Schweppes 7½ 7 ½ 8 ¼ ½ 9
Caffyns (50p) 110 1 2 3 4
Caird (A.) Sons £1 170 5 82 (28/9)
Caird (Dundee) 15 (25/9)
Cakebread Robey A (10p) 31½

Cement-Roadstone Hldgs. (I£0.25) 75½ 4 5
Central and Sheerwood (5p) 13 4 ½
Central Mfg. and Tdg. Grp. 8pcLn 59½ (25/9)
Centreway (50p) 100 1½ (25/9)

Greenbank Indust. Hldgs. (10p) 19 (29/9)
Grenfields Leisure (10p) 25
Green's Economiser Grp. 123
Grimshawe Hldgs. (20p) 22
Gripperrods Hldgs. (10p) 96 8
Group Lotus Car Cos. (10p) 30p
Grovebell Grp. (5p) 4
Guest Keen Nettlefolds 142 3 4 5 6 7 8. 5½pcLn. 71

HAT Gp. (10p) 63½ 5. New 64 ½ 5
H.T.V. Grp. 89 90
Habit Precision Eng. (5p) 9 (29/9)
Haden 188 92 3
Hall Eng. (Hldgs.) (50p) 155
Hall (Matthew) 165 8
Hallam Sleigh and Cheston (10p) 6 (28/9)
Halliburton ($2.50) 26⅞ (30/9)
Hallite Hldgs (50p) 184 5
Halma (10p) 82●

Kakuzi 45 55 (30/9)
Kalamazoo (10p) 39 40 (30/9)
Kean Scott 30 2
Kelsey Indust. 136
Kennedy Smale (10p) 138
Kenning Motor Group 58

Kent (M. P.) (10p) 120 2 3 4 5 6 8
Kershaw (A.) Sons (5p) 240 (29/9)
Kitchen (Robert) Taylor (10p) 105
Kleen-E-Ze Hldgs 50 (29/9)
Kode International 215
Kursaal (M£0.25) 90 (29/9)
Kwik-Fit (Tyres and Exhausts) Hldgs (10p) 77 8 ¼ 9 80
Kwik Save Discount Group (10p) 186 8 9 90
Kynoch (G. and G.) 55 (25/9)

L—M

L.C.P. Hldgs 59
LWT (Hldgs) A N-Vtg 94 (30/9)
LRC International (10p) 40 ½ 1 ½ 2
Ladbroke Group (10p) 124 5 6 7 8 ½ 9 30 1. New (10p) 128 30. Warrants to Sub 83 4
Ladies Pride Outerwear (20p) 45

Moben Grp. (10p) 13 4
Modern Engrs. Bristol (Hldgs.) 25 (30/9)
Molins 148
Molyny Hldgs (20p) 11 (29/9)
Monk (A.) 48 9 50
Monsanto 5pcCnvLn. 1982-86 113 (28/9)

Wedgwood 68 ½ 9
Weeks Associates (10p) 7½ 8
Weir Grp. 34½ 5 ½ 6 7
Wellco Hldgs. (5p) 18 ½
Wellman Engg. Corp. 47
Westbrick Products 85 (30/9)
Western Board Mills (10p) 146 (30/9)
Western Motor Hldgs. 63. A Non-V 25
Western Selection and Dev. (20p) 34
Westland Aircraft 86 7 8 ¼ 9 90 1
Wettern Bros. 73
Whatlings 15 (28/9)
Whatman Reeve Angel 187 8
Wheeler's Restaurants (10p) 260 80
Whessoe 120
Wheway Watson (Hldgs.) (10p) 7 ¼ (29/9)
Whitecroft 38 44
Whittingham (William) (Hldgs.) (12½p) 104 10
Whitworth Electric (Hldgs.) (5p) 100
Wholesale Fittings (10p) 180 4 8
Wigfall (Henry) Son 128 32 (30/9)
Wiggins Construct (10p) 62 3 (30/9)
Wilkes (James) 58 (30/9)
Wilkins and Mitchell 17 (30/9)
Wilkinson Warburton 67 (28/9)
Williams and James (Engineers) 62. 9.5pc Pf. (£1) 83 (29/9)
Williams (John) Cardiff 21
Wills (George) Sons (Hldgs.) 76 8
Wilson (Connolly) Hldgs. 150
Wimpey (George) 87 8 ¼
Wire and Plastic Products PLC (10p) 38 (29/9)
Wolseley-Hughes 232
Wolstenholme Rink 105 (30/9)
Wolverhampton Steam Laundry (5p) 38
Wood and Sons (Hldgs) (5p) 7 ½ (30/9)
Wood (Arthur) and Sons (Longport) (5p) 18 (30/9)
Wood Hall Trust 118
Wood (S.W.) Group (20p) 19 (28/9)
Woodhead (Jones) and Sons 28 ½
Woodhouse and Rixson (Hldgs) PLC (12½p) 13½
Woodward (H.) and Son PLC (12½p) 22 (30/9)
Woolworth (F.W.) PLC 45 ½ 6 ½ ¾ 7 ½
Wormalds, Walker and Atkinson 5
Wyatt (Woodrow) Hldgs (5p) 7⅛ ¼ 10 ⅛ (29/9)

Yarrow (50p) 200 10 (28/9)
York Trailer Hldgs (10p) 12
Yorklyde PLC (20p) 240 (30/9)
Yorkshire Chemicals 35. 12½pcLn 77
Yorkshire Fine Woollen Spinners (20p) 30●
Youghal Carpets (Hldgs) (Ir£0.25) 10 (30/9)
Young (H.) Hldgs 20 1 (30/9)

Zetters Group (5p) 74

FINANCIAL TRUSTS (303)

Aitken Hume 160. 10pcLn 55¾ 7 1 3 (30/9)
Akroyd and Smithers 147 8 6 9
Anglo-African Finance (7½p) 24 ½ (28/9)
Armour Trust (10p) 7 ½
Assam Trading (Hldgs.) PLC (10p) 63
Australian Agriculture ($A0.50) 160 (28/9)

INVESTMENT TRUSTS

Claverhouse Invst. Tst. PLC (50p) 110 1 (29/9)
Colonial Securities Tst. (5p) 46
Continental Industrial Tst 241●
Continental Union Tst. PLC 134
Crescent Japan Invst. Tst. PLC Ord. (50p) 312 6
Crossfriars Tst. PLC 104 (28/9)
Cystic Fibrosis Research Invst. Tst. PLC (£1) 85 90 (29/9)
Danae Invst. Tst. Cap. Shs. (10p) 34 (30/9). Wrts. to Sub. for 1 Inc. 1 Cap. 6¼ (28/9)
Derby Tst. PLC Inc. Shs (£1) 230 (30/9)
Dominion General Tst. 225 8 (30/9)
Drayton Commercial Invst. 135 ½
Drayton Consolidated Tst. 145½ (30/9). 6½pcBCnv.Uns.Ln. 118 (25/9). 7½pcCnv. Uns.Ln. 122 (25/9)
Drayton Far Eastern Tst. 77 (29/9)
Drayton Premier Invst. Tst. 184. 7½pc Cnv Uns.Ln. 117 (29/9). 7½pcACnv. Uns.Ln. 114
Dualvest Inc. Shs. (50p) 62½ (28/9). Cap. Shs. (£1) 400 2
Dundee London Invst. Tst. 84½ (29/9)
Edinburgh American Assets Tst. PLC 92
Edinburgh American Assets 8pcLn. [illegible] (30/9)
Edinburgh Inv. Tst. 63 ½ 4 ½
Elec. Gen. 108 (30/9)
Energy Resources Services Inc. [illegible] 41●
English Intnl. 98
English New York 81 ½. 4¼pcLn. 109 13 (29/9)
English Scottish Investors 60 2 3 8 62 (29/9)
Equity Consort (£1) 117 20 30 (28/9). Dfd. (50p) 197 (30/9)
Equity Income (50p) 268 (28/9)
Estate Duties 73 4½
External (£1) 275 (29/9)
F C Eurotrust 52 (28/9)
Family 102 (30/9)
First Scottish American 104
First Union 111 (30/9)
Foreign Colonial 58¼ ½ 7 8 ½
Fulcrum Cap.Shs. (2½p) 3½
Fundinvest Inc.Shs. 38 9 ½ (29/9). Cap.Shs. 54●
GT Global Rec. (£1) 77
GT Japan 315 8. 8½pcLn. 195 (29/9)
Gen. Comml. 182 (29/9)
Gen. Cons. 100
Gen. Funds 270 5. Cnv.Ord. (10p) 278 (29/9)
Gen. Investors Trustees 158 9
Gen. Scottish 52½ ½
Gen. Stockholders (12½p) 173 (29/9)
Glasgow Stockholders 66½ ½
Globe 131 2 3½ 4½. 5½pcLn. 110 (25/9). 11½pcLn. 109 10 (30/9)
Grange 175
Grt. Northern 112 3
Greenbank Trust (The) 128
Greenfriar Invest. 197
Gresham House Estate 70 85
Grp. Investors 99 (29/9)
Guardian Invest. 91 2
Hambros Invest. 80 (30/9)
Hill (Philip) 111 ½ 2½
Industrial General 68½
Int. Invest. Trust Wts. to Subscribe 56 (30/9)

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price p	+ or —	Div. p. or amount	Times covered	Gross yield	P.E. ratio
—	F.P.	14.8	8	6	✣Hartons 5p	7½	...	—	—	—	—
25	F.P.	18.9	28	24	Japan Assets Trust 10p	24½	+½	—	—	—	—
62	F.P.	2/10	56½	45	Jeavons Eng.	45	...	b3.75	1.7	11.9	5.9
28	F.P.	30/10	29	24	✣Lon. Private Health	24	...	—	—	—	—
§100	F.P.	30/10	102	97	Marine Adv. Sail Tst. £1	97	...	—	—	—	—
[illegible]	F.P.	20/8	125	100	✣Newcourt Oil	100	...	—	—	—	—
—	F.P.	—	180	148	Nippon Electric	148	—8	Q$25%	2.9	1.1	32.7
100	F.P.	26/10	108	94	Precious Metals Tst.	99	+1	—	—	—	—
—	F.P.	18.9	14	10	Stewart Ent. Warrs	11	+1	—	—	—	—
§2	F.P.	28/8	120	100	St'ckhold'rs F.E. Inv $1	100	...	—	—	—	—
66	F.P.	16/10	92	75	✣Thorpac	80	...	b1.82	3.7	3.5	10.5
—	F.P.	—	165	155	✣Utd Frd'ly Ins. B.R.V.	158	...	h6.25	—	5.7	—
§15	F.P.	25/9	17½	7	✣Willairo Systems 10p	7	...	—	—	—	—
**	F.P.	11/9	15	6	Do. Rest. Div. 10p	6	...	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price £	+ or —
**	F.P.	—	127	110	Amal Dist. Products 10 Cv. Ln. '97	115	...
100	£40	30/10	38⅞	37½	Birmingham Drop-Lock '86/93	38¼	+¼
100‖	F.P.	7/8	112¼	82	Chloride 7½% Conv. Prf.	87	...
«	F.P.	24/9	101	98½	East Surrey Water 10% Prf. 1986	98½	...
100‖	F.P.	28/8	113	96	Hanson Trust 9½% Cv. Uns. Ln. 2000-6	104	+1
**	F.P.	—	99½	96	Hawley Leisure 12½% Cum. Pref.	96	...
98½	£25	12/11	25¼	20	Inco 15¾% Uns. Ln. 2006	20⅝	+½
100‖	F.P.	12/8	124½	95	Jones (Edward) 15% Cnv. Uns. Ln. '96 98	90	...
§100	F.P.	—	100⅛	98	Nat'wide Bdg Society 14½% Bds (25/8/82)	98	...
¶100	F.P.	—	99¾	98¾	Do. 15⅜% Bds (29/8/82)	99	...
100	£10		101	100¼	Portsmouth 10% Prf. 1986	100¼	...
**	F.P.	21/8	93p	63p	Sterling Credit 3.5% Cnv. Red. Pref	65p	+1
—	—	—	2½p	½p	Do. Warrants	2½p	+½
97.33	£30	—	29⅝	27	Utd. Mexican States 16¼% Ln. 2008	27¾	—¼
100p‖	F.P.	11/8	100½p	60p	'W' Ribbons 10% Cum. Red. Prf. '95 96	66p	+2
¶100	F.P.	24/9	101½	100½	York Waterworks 10% Red. Pref. '85	100½	...

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1981 High	1981 Low	Stock	Closing price p	+ or —
60	F.P.	24.9	15/10	84	62	Amal. Dist. Products	64	+1
10	Nil	9/10	11/11	3½pm	¼pm	Astra Ind.	½pm	...
225	F.P.	2/10	6/11	269	223	BICC	228	+5
275	125p	13/7	2/12	182	104	BP	130	+16
76	Nil	13/10	12/11	2½pm	½pm	Brown (J.)	½pm	...
62	F.P.	11/9	7/10	74½	60	H.A.T. Group	65	+1
90	Nil	—	—	4pm	½pm	Heelamat	4pm	+3½
12½	F.P.	9/10	18/9	30½	23	Jantar	23	...
131	F.P.	28/8	5/9	178	115	Ladbroke	136	+8
110	F.P.	7/9	19/10	135½	105	Laird Grp.	109	+1
35	F.P.	21/8	2/10	60	39	Lane (Percy)	47	...
107	F.P.	30/9	8/1	121	98	Morgan Crucible	100	...
A$1	P.P.	—		196	104	Pancontinental	110	+12
112	F.P.	25/9	6/11	126	102	Trusthouse Forte	111	...
360p	F.P.	9/9	9/10	550	359	Utd. Scientific	443	+28
250	Nil	—	—	32pm	27pm	Viner's Unitst	27pm	...

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✣ Unlisted Securities Market. ‡‡ London Listing. † Effective issue price after scrip. ‖ Comprising 50 Ord of 1p and £1 of 10pc Ln 1988.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$425	4	29	5	52	-	-	$437
GOLD C	$450	—	—	-	-	2	5	"
GOLD C	$475	—	—	2	25	—	—	"
GOLD P	$425	—	—	4	17 A	—	—	"
GOLD P	$450	—	—	2	27	—	—	"
		Oct.		Jan.		April		
ABN C	F.300	19	0.90	—	—	—	—	F.288
AKZO C	F.20	166	2	266	3	—	—	F.21.50
AKZO C	F.22.50	—	—	44	2	10	2.90	"
AKZO C	F.25	—	—	45	1.40	—	—	"
AKZO C	F.27.50	—	—	64	0.60	—	—	"
AKZO P	F.22.50	—	—	24	1.90	—	—	"
HEIN C	F.45	16	5	—	—	—	—	F.50.20
HEIN C	F.50	70	1.10	—	—	—	—	"
HEIN C	F.55	—	—	16	2	—	—	"
HEIN P	F.45	—	—	—	—	22	1.60	"
HEIN P	F.50	20	1.70	—	—	—	—	"
HOOG C	F.15	—	—	70	1.70	—	—	F.15.90
KLM C	F.80	37	9.50	—	—	—	—	F.88.20
KLM C	F.90	81	2.80	54	9.40	20	13	"
KLM C	F.100	169	1	15	5.60	18	9.50	"
KLM C	F.110	69	0.30	81	3.50	15	6	"
KLM C	F.120	—	—	30	2.30	—	—	"
KLM C	F.130	40	0.10	—	—	—	—	"
KLM C	F.140	28	0.10	—	—	—	—	"
KLM C	F.150	20	0.10	—	—	—	—	"
KLM P	F.70	50	0.30	—	—	—	—	"
KLM P	F.80	82	0.80	95	3.50	—	—	"
KLM P	F.90	27	5	24	7.40	29	8.50	"
KLM P	F.100	—	—	56	13.50	—	—	"
NEDL P	F.130	61	0.50	15	2	—	—	F.138.50
NATN C	F.110	20	2.50B	—	—	—	—	F.111.50
NATN P	F.110	18	1	—	—	—	—	"
PHIL C	F17.50	15	2.50	—	—	—	—	F.19.80
PHIL C	F.20	57	0.60	185	1.90	86	2.80	"
PHIL C	F.22.50	—	—	553	1	64	1.70	"
PHIL C	F.25	—	—	140	0.60	11	1	"
PHIL C	F.27.50	—	—	143	0.20	—	—	"
PHIL P	F.17.50	150	0.10	—	—	—	—	"
PHIL P	F.20	100	0.60	22	1.20	—	—	"
PHIL P	F.22.50	—	—	165	2.80	—	—	"
RD C	F.70	—	—	22	12.50 B	—	—	F.78.50
RD C	F.80	405	2.10	114	6	27	9	"
RD C	F.90	174	0.30	115	2.50	60	5.20 B	"
RD C	F.100	50	0.10	78	1	—	—	"
RD P	F.70	—	—	158	1.50	—	—	"
RD P	F.80	95	3	160	5	—	—	"
UNIL C	F.140	38	4	53	9	—	—	F.142
UNIL C	F.150	15	1.10	90	3.70	—	—	"
UNIL P	F.125	75	0.40	—	—	—	—	"
UNIL P	F.130	—	—	13	4.40	—	—	"

TOTAL VOLUME IN CONTRACTS 5773

A=Asked B=Bid C=Call

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OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 5	Oct 16	Jan 7	Jan 18
Oct 19	Oct 30	Jan 21	Feb 1
Nov 2	Nov 13	Feb 11	Feb 22

For rate indications see end of Share Information Service

Stocks favoured for the call included Epicure, Keith Collins Petroleum, Dunlop, Black and Edgington, Double Eagle, ICL, Cons. Gold Fields, Tozer Kemsley and Millbourn, Hong Kong Land, Suter Electrical deferred, Fitch Lovell, Lee Cooper, Babcock International, Charterhall, BP, GEC, Hutchison Whampoa, Bambers Stores, Charterhouse, Sound Diffusion and Premier Oil. Puts were done in Glaxo and Premier Oil, while a double was taken out in Premier Oil.

ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Closing price pence	Day's change	Stock	No. of price changes	Closing price pence	Day's change
GEC	28	672	+4	Plessey	16	300	—8
Racal Elec.	25	380	—2	Shell Trans.	16	324	+4
Ultramar	23	407	+12	Brit. Aerospace	15	182	—4
BP	18	270	+10	RTZ	15	465	+10
LASMO	18	438	+20	Beecham	14	190	+2
ICI	17	258	—	Premier Cons.	14	50	—
Land Sec.	16	273	+3	Tricentrol	14	212	+6

THURSDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Thursday's closing price pence	Day's change	Stock	Thursday's closing price pence	Day's change
Avon Rubber	108	+10	Land Securities	278	+5
BTR	320	+14	Lonrho	76	+1
BP	278	+8	Lyle Shipping	295	+35
Eagle Star	268	+7	Plessey	298	—2
GEC	675	+3	STC	425	+25
ICI	256	—	Thorn EMI	416	—3

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

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MINES—Miscellaneous (229)

South African (89)

UNIT TRUSTS (3)

M G American Recovery Inc 75.8 (28/9). Accum 830
M G Conversion Tst Inc 72½ (30/9)
M G Dividend Inc 119
M G Extra Yield Inc 77 (29/9)

OIL (890)

RAILWAYS (2)

SHIPPING (94)

PROPERTY (427)

PLANTATIONS (78)

Aberfoyle Plants. (5p) 6 (30/9)
Anglo-Indonesian Cpn. 88
Barlow Hldgs. (10p) 75 6 7 8½
Beradin Rubber Estates (5p) 43 (28/9)
Bertam Consold. Rubber (10p) 66
Blantyre Tea Hldgs. 68 70

UTILITIES (16)

UNLISTED SECURITIES MARKET (157)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	14½	½-year	1,000	1-3
Wyre Forest D.C. (0562 3914)	14¾	½-year	5,000	6-10
Kirklees (0484 22133 425)	14¾	½-year	500	2-3
Kirklees (0484 22133 425)	14¾	½-year	500	4-7

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %	
Abbey National	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Aid to Thrift	9.20	9.45	—	—	
Alliance	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs. 9.00 2 yrs., 9.50 3 months' notice
Anglia	8.25	8.50	9.75	10.75	6 yrs., 9.50 1 mth. notice int. loss
Bradford and Bingley	8.25	8.50	9.75	9.50	1 month's notice deposit
Bridgwater	8.25	8.50	10.00	10.50	5 yrs., 9.60 2½ yrs.
Bristol Economic	8.25	8.50	9.75	9.25	3 mths.' not. & 9.50 on balances of £10,000 and over. Escalator shares 9.00-10.50 (1-5 yrs.)
Britannia	8.25	8.50	9.75	10.00	5 yrs., 9.50 3 months' notice
Burnley	8.25	8.50	9.75	10.50	5 yrs., 9.50 3 months' notice
Cardiff	8.25	9.50	10.50	—	
Catholic	8.25	8.75	9.75	—	8.95 over £5,000
Chelsea	8.25	8.50	9.75	10.50	5 yrs., 9.90 1 yr., 9.50 3 months
Cheltenham and Gloucester	8.25	8.50	9.75	—	
Citizens Regency	—	8.75	10.00	10.75	5 yrs., 9.75 3 yrs., 9.25 1 yr.
City of London (The)	8.50	8.75	9.80	10.00	Capital City shs.—4 mths. notice
Coventry Economic	8.25	8.50	9.75	10.00	4 yrs., 9.75 3 yrs., 9.50 3 months
Coventry Provident	8.25	8.50	9.75	9.50	E.I. a/c £500 min., 9.75 £5,000+
Derbyshire	8.25	8.50	9.75	9.00	to 9.50 3 months
Ealing and Acton	8.25	9.00	—	9.55	2 years, £2,000 minimum
Gateway	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Gateway	—	9.50	—	—	Plus a/c £500 min. Int. ½-yearly
Greenwich	—	8.75	10.00	10.75	5 yrs., 10.00 3 months' notice
Guardian	8.25	8.75	—	10.00	3 mth., 10.50 6 mth., min. £1,000
Halifax	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Heart of England	8.25	8.50	9.75	—	3 mths.' notice 9.50, 5 yrs. 10.50
Hearts of Oak and Enfield	8.25	8.75	10.25	10.00	4 yrs., 9.75 3 yrs., 9.50 2 yrs.
Hendon	8.75	9.25	—	10.25	6 months, 10.00 3 months
Huddersfield and Bradford	8.25	8.50	9.25	10.00	5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs.
Lambeth	8.25	8.75	10.50	10.75	5 yrs., 10.50 6 mths.
Leamington Spa	8.35	8.60	11.50	10.10	(1 year)
Leeds Permanent	8.25	8.50	9.75	9.25	E. I. a/c £500 min., 9.50 £5,000+
Leicester	8.25	8.60	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Liverpool	8.25	8.50	9.80	10.50	5 yrs., 9.55 1 month int. penalty
London Grosvenor	8.25	9.00	11.00	9.50	6 months' notice
Mornington	9.10	9.60	—	—	
National Counties	8.50	8.50	9.80	9.50	35 day's notice, min. dep. £500, 6 mth. 9.90, 11.00 at 9 mths. not.
Nationwide	8.25	8.50	9.75	10.50	5 yrs., £500 min. 90 days' not. bonus a/c 9.25 £2,500 min., 9.50 £10,000+28 days' not.
Newcastle	8.25	8.50	9.75	10.50	4 yrs., 9.50 2 mths. not. or on demand 1 mth. interest penalty
New Cross	9.00	9.25	—	9.25	10.00 on share accs., depending on min. balance over 6 mths.
Northern Rock	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Norwich	8.25	8.50	10.00	9.50	3 yrs., 9.25 2 yrs., min. £500
Paddington	8.00	9.00	10.50	10.00	Loss 1 month int. on sums wdn.
Peckham Mutual	8.50	9.50	—	10.00	2 y, 10.50 3 y, 11.00 4 y, 9.75 Bns
Portman	8.25	8.50	9.75	10.50	5 yrs., 9.55 6 months' notice
Portsmouth	8.60	8.80	10.30	10.85	(5 yrs.), 10.25 (6 months)
Property Owners	8.50	9.00	10.50	10.50	5 yrs., 10.50 6 mths., 9.80 3 mths.
Provincial	8.25	8.50	9.75	10.00	3 yrs., 9.50 2 months
Skipton	8.25	8.50	9.75	10.50	5 yr., 9.6-9.75 28 dys. int. on wdl.
Sussex County	8.50	8.75	10.55	11.00	9.50 (6-2 yrs.), 9.25 2 mths. not.
Sussex Mutual	8.50	9.10	10.50	9.25	-10.50 all with special options
Town and Country	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Walthamstow	8.25	8.75	9.75	9.75	6 months' notice, min. £1,000
Wessex	8.50	9.60	—	—	
Woolwich	8.25	8.50	9.75	10.50	3 months' notice account 9.50

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Adnams B 990 (28/9)
All England Lawn Tennis Gnd. £50Dbs 1981-85 £6,500
Alliance Tst 4pc A Prf £23¾ 4 (28/9)
Ann Street Brewery 285 (30/9)
Arsenal FC £150 3 (28/9)
Asprey 528 (28/9)
Aston Villa FA (1 vote) £10 (30/9)
British Photographic 39 40 (28/9)
Brown (A.) 28 (28/9)
Cambridge Petroleum Royalties 240 50 60
Celtic Basin Oil Expl. 120
Channel Hotels and Props. 13 (30/9)
C.I.C. Inv. 1½ ¾ 1½
C.I.C. Inv. ½ ¾
Clairmace 12 (29/9)
Coghlans Properties 7pcLn. £27 30 (29/9)
Comel. Bank of Wales 70
Computer and Systems Eng. 210 5 6
Do. 9.1pc Red.Cnv.Prf. £12 (30/9)
Cosalt 7¾pcCumPrf. 37
Dalkeith (Ceylon) 15½ 17 (28/9)
Darling Fund 165 72 (29/9)
Dart Valley Light Rlwy. 60 8 (28/9)
Dawson (Wm) 78 80 (29/9)
Deltenne 8½
Dollar Land 28
Douglas Gas Light 160
Edinburgh Secs. 152¼ 5
Eldridge Pope A 273
Findhorn Finance 39
Gaelic Oil 130 (28/9)
Gale (G.) 610 40
Gibbs (M.) 210 (30/9)
Grant (Wm) 10pcPf. 29¼ ½ (28/9)
Gresham Lion 11.25pcPrf. 103¼ ½ (29/9)
GRA Prop. Tst 13¾ 4
Guernsey Gas Light 400 (28/9)
Harrison Cowley 70
Heavitree Brewery A 820 (30/9)
Hemerdon Mng. and Smelting 49
Intervision Video (Hldgs.) Pfd. 24 6 7 ½ 8 9 30 41 2
Javelin Equity Tst 195 9 (28/9)
Javelant 6 (28/9)
Jenkin and Purser 5 (28/9)
Jennings Bros 142 (29/9)
Jessel Tst 10 1
LPA Inds 79 80 (30/9)
Lampa Securities 10 (28/9)
Le Riches Stores 218 (29/9)
Mainline Elec. 2½ (29/9)
Mainline El. 12pcCnv.Pt.Pfd.Rd. 2
Manchester Utd FC 165
Manx and Overseas Inv Tst 17
Nationwide Leisure 6
NMW Computers 135 (30/9)
North Sea Assets 112
Norton Villiers Triumph 1½ 2
Norwich Crematorium 4 5
ORE 164 5 203
Oldham Brewery 75
Oldham Ests. 137 (30/9)
Pentlow Holdings 54 (29/9)
PMPA Insce. 41½ (30/9)
Plantation and Gen. Invs. 64 6
Rangers FC 13½
Roche Plant 23 (28/9)
Quest Automation 146 50 52
Sampang (Java) Rubber 6½ (29/9)
Do. New 6½ (29/9)
Savoy Hydro 515 (28/9)
Do. 7pcRedPrf. 100 (28/9)
Sefton Hotel 220 (29/9)
Sheraton Sec. Intnl. 10 ½
Southern Newspapers 153 (30/9)
SPO Minerals 15 20
Staffordshire Potts. Water Srd. 3½pcPerp. Db. £20½ (30/9)
Star Offshore Services 30 (29/9)
Swan Hunter 1¼ (28/9)
Tom Hill 5 (29/9)
Utd. Friendly Insce. 180 5
Villiers Hotel 400 (28/9)
Weetabix A (non-vtg) 65
Welsh Inds. Inv. Tst 141 (30/9)
Yelverton Invs 24

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

American Oil Fields Systems 93 4 5
Aran Energy 55 7
Atlantic Resources 210 5 7 20 5 30
Berkeley Exploration and Production 236½ 40 2 3
Candecca Resources 123 4 5 6 7 8 ½ 30 3
Eglinton Oil Gas 65 75 80 5 90
Marinex Petroleum 93½ 7 9½ 100 2 3
Steaua Romana (British) 42
Sun Oil Company (UK) 126 40 50

(By permission of the Stock Exchange Council)

MONEY MARKETS

London clearing banks base lending rates 16 per cent (since October 1)

The Treasury bill rate rose sharply at yesterday's tender to 15.9795 per cent from 15.1231 per cent and the minimum accepted bid fell to £96.015 from £96.165. Bids at that level were met as to about 75 per cent and above in full. The £100m of bills on offer attracted bids of £219.255m and all bills offered were allotted. Next week a further £100m of bills will be on offer, replacing a similar amount of maturities.

The Bank of England forecast a surplus of £50m in the London money market yesterday. Factors affecting the market included eligible bank bills maturing in official hands and a net take up of Treasury bills together totaling —£40m, an increase in the note circulation —£120m, offset by Exchequer transactions +£60m and bank balances brought forward above target +£150m. There was no intervention by the authorities in the morning or afternoon. Discount houses were paying up to 15½ per cent for secured call loans but late balances were taken as low as 12½ per cent. In the interbank market weekend money traded around 15¾-16½ per cent until falling away to 11-12 per cent during the afternoon, with late balances taken at 16 per cent.

EXCHANGES AND BULLION

The dollar fell quite sharply in currency markets yesterday. The market reacted to increased speculation ahead of the weekend over the possibility of a currency realignment within the European Monetary System. The D-Mark attracted a good deal of interest although the possibility of a currency reshuffle this weekend seemed unlikely. Against the D-Mark the dollar fell to DM 2.2925 from DM 2.3230 and SwFr 1.9350 from SwFr 1.9675. The U.S. unit was also down against the Japanese yen at Y232.10 from Y233.80 and FFr 5.5050 from FFr 5.5700. On Bank of England figures the dollar's trade weighted index fell to 108.4 from 109.3.

Sterling tended to lose ground European currencies. The recent both against the dollar and firmer trend in UK interest rates failed to underpin the pound and on Bank of England figures its index fell to 87.3 from 88.5, having stood at 87.7 at noon and 88.5 in the morning. Against the dollar it opened at $1.84 and had eased to $1.8250 by mid-morning. It recovered to $1.83 at noon but slipped once again, as the dollar came back, to $1.8180 and closed at $1.8180-1.8200, a fall of 1.25c. Against the D-Mark it fell to DM 4.17 from DM 4.2575 and SwFr 3.52 from SwFr 3.6030.

Gold closed at $435¼-436¼, just $¾ an ounce up from Thursday's close in London.

THE POUND SPOT AND FORWARD

Oct 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8170-1.8410	1.8180-1.8200	0.05-0.15c dis	−0.66	0.42-0.52dis	−1.03
Canada	2.1870-2.2170	2.1890-2.1910	0.55-0.65c dis	−3.23	1.65-1.85dis	−3.20
Nethlnd.	4.61-4.74	4.62½-4.63½	1½-¾c pm	2.91	4½-4 pm	3.67
Belgium	69.00-69.75	68.15-68.25	60-70c dis	−11.44	125-145 dis	−7.92
Denmark	13.09-13.39	13.11½-13.13½	1¾-2½ore dis	−2.17	4-5½ dis	−1.45
Ireland	1.1430-1.1690	1.1440-1.1460	0.45-0.52p dis	−5.55	0.97-1.21dis	−3.81
W. Ger.	4.15-4.25	4.16½-4.17½	1¾-1½pf pm	4.32	5-4½ pm	4.56
Portugal	118.75-119.75	117.00-117.50	75-445c dis	−26.61	175-775	−16.20
Spain	173.50-176.75	173.70-174.00	5-30c dis	−1.21	60-90 dis	−1.72
Italy	2.137-2.174	2.145-2.147	29-32 lire dis	−17.05	72-77 dis	−13.89
Norway	10.66-10.82	10.67-10.69	2½-1½ore pm	2.39	8½-7½ pm	3.00
France	10.00-10.20	10.00½-10.01½	14-15c dis	−17.38	24¾-26¼dis	−10.19
Sweden	10.07-10.28	10.08-10.10	3½-2½ore pm	3.57	9¾-8¾ pm	3.67
Japan	420-428	422-423	3.43-3.13y pm	3.31	9.63-9.23 pm	8.93
Austria	29.10-29.90	29.13-29.18	11½-6¾gro pm	3.70	31½-21¼ pm	3.60
Switz.	3.51-3.61	3.51½-3.52½	1½-1¼c pm	5.11	4¾-4½ pm	5.25

Belgian rate is for convertible francs. Financial franc 75.00-75.10.
Six-month forward dollar 0.93-1.03c dis. 12-month 1.80-2.00c dis.

GOLD

	Oct. 2		Oct. 1	
Gold Bullion (fine ounce)				
Close	$435¼-436¼	(£238¼-238¾)	$431-456	(£236¾-238)
Opening	$431-433	(£234¾-236)	$430-431½	(£236½-237¼)
Morning fixing	$435.25	(£236.555)	$455.25	(£237.562)
Afternoon fixing	$435	(£237.445)	$436.75	(£238.271)
Gold Coins				
Krugerrand	$449-450	(£246-246½)	$448¾-449¾	(£245-245½)
1/2 Krugerrand	$231-232	(£126½-127)	$231-232	(£126¼-126¾)
1/4 Krugerrand	$117¾-118¾	(£64½-65)	$117½-118½	(£64¼-64¾)
1/10 Krugerrand	$48-49	(£26½-26¾)	$48-49	(£26¼-26¾)
Mapleleaf	$449-452	(£246-247¾)	$449-452	(£245¼-247)
New Sovereigns	$107-108	(£58½-59)	$106¼-107	(£58-58½)
King Sovereigns	$121½-123½	(£66½-67½)	$122-124	(£66½-67¾)
Victoria Sovs.	$121½-123½	(£66½-67½)	$122-124	(£66½-67¾)
French 20s	$133-136	(£72¾-74½)	$131-135	(£71½-73¾)
50 pesos Mexico	$542-546	(£297-299)	$540-543	(£295-295¾)
100 Cor. Austria	$423-426	(£231¾-233½)	$431-424	(£230-231¾)
$20 Eagles	$585-589	(£320½-322¾)	$579½-584½	(£316¾-319½)

EXCHANGE CROSS RATES

Oct. 2	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.819	4.170	422.5	10.01	3.520	4.630	2146.	2.190	68.20
U.S. Dollar	0.550	1.	2.292	232.3	5.503	1.935	2.545	1180.	1.204	37.49
Deutschemark	0.240	0.436	1.	101.3	2.400	0.844	1.110	514.6	0.525	16.35
Japanese Yen 1,000	2.367	4.305	9.870	1000.	23.69	8.331	10.96	5079.	5.183	161.4
French Franc 10	0.999	1.817	4.166	422.1	10.	3.516	4.625	2144.	2.188	68.13
Swiss Franc	0.284	0.517	1.185	120.0	2.844	1.	1.315	609.7	0.622	19.58
Dutch Guilder	0.216	0.393	0.901	91.25	2.163	0.760	1.	463.5	0.473	14.73
Italian Lira 1,000	0.466	0.848	1.943	196.9	4.664	1.640	2.158	1000.	1.021	31.78
Canadian Dollar	0.457	0.831	1.904	192.9	4.571	1.607	2.114	979.9	1.	31.14
Belgian Franc 100	1.466	2.667	6.114	619.5	14.68	5.161	6.789	3147.	3.211	100

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Oct. 2	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	16-16¼	16½-16¾	18-19	13¼-13½	7-7½	11⅞-12	23-30	20-30	14-22	6½-7
7 days' notice	16¼-16½	16½-16¾	18-19	12¾-13	7½-8	11⅞-12	29-34	25-34	22-36	6½-6⅞
Month	16⅜-16⅝	16¾-17	19½-19⅞	12⅞-13	10⅜-10⅝	11⅞-12⅛	31½-33½	32⅛-35⅝	26-30	7-7½
Three months	16¾-17	17⅝-17⅞	19¾-20⅛	12⅞-13	11-11¼	12⅛-12¼	26¼-27½	30⅞-32⅞	23¾-25	7½-7¾
Six months	17-17⅛	17⅜-18⅛	20⅛-20½	12⅞-13	11⅛-11¼	12⅛-12⅜	24-25	29¾-31¼	21½-22½	7¾-8
One Year	16⅞-16⅞	17⅜-17⅜	19⅝-20	12⅞-13	10⅛-10¼	11¾-11⅞	22¾-23½	27½-29	19⅝-20¼	8⅛-8⅜

SDR linked deposits: one-month 15⅞-16⅛ per cent; three-months 15¾-16 per cent, six-months 16¼-16½ per cent, one-year 15¾-16 per cent.
ECU linked deposits: one-month 19¼-19½ per cent; three-months 16⅝-17 per cent, six-months 17¼-17½ per cent, one-year 15⅞-16⅛ per cent.
Asian $ (closing rates in Singapore): one-month 16⅝-16⅞ per cent, three-months 17¾-17⅞ per cent; six-months 18⅛-18⅜ per cent; one-year 17⅛-17⅜ per cent.
Long-term Eurodollar two years 17⅛-17⅜ per cent; three years 17-17⅜ per cent; four years 16⅞-17⅛ per cent; five years 16⅞-17 per cent nominal closing rates.
The following nominal rates were quoted for London dollar certificates of deposit: one-month 16.45-16.55 per cent; three-months 17.35-17.45 per cent; six-months 17.45-17.55 per cent; one year 17.10-17.20 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 2)

3 months U.S. dollars		6 months U.S. dollars	
bid 17 7/8	offer 18	bid 18 3/16	offer 18 5/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Oct. 2 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	11-16⅝	15¾-16½	—	—	16½-16½	12½-15⅝	—	—	—
2 days notice	—	—	16¼-16½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	15¾-16⅜	16⅜-16½	—	16⅝	16-16¾	15½-15⅝	—	—	—
One month	16⅜-16⅛	16⅜-16½	16½	17-16⅝	16⅝	16⅞	15½-15¾	16⅛-16⅛	16⅛-16⅛	16⅝
Two months	16⅛-16½	16⅞-16⅞	—	17-16¾	16⅝	17	15⅝-15¾	16⅛	16⅛-15⅞	16⅛
Three months	16⅞-16⅞	16⅞-17	17	17-16¾	17	17¼	15⅝-15¾	16	16⅛	16⅞
Six months	16⅞-16⅝	16⅞-17⅛	17	16½-16	17½	—	—	—	15⅞	16
Nine months	16⅝-16⅜	16⅝-16¾	—	16⅞-16½	16⅞	—	—	—	—	—
One year	16½-16¼	16⅛-16⅝	16½	16⅝-15½	16⅝	—	—	—	—	—
Two years	—	—	16¼	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 15½ per cent; four years 16½ per cent; five years 16⅝ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15⅞ per cent; four-month trade bills 16⅞ per cent.

Approximate selling rate for one-month Treasury bills 15⅞-15⅞ per cent; two-months 15¾-15⅞ per cent; three-months 15⅞ per cent. Approximate selling rate for one-month bank bills 16⅛-16⅛ per cent; two-months 16-15⅞ per cent; and three-months 15⅞ per cent. one-month trade bills 16½ per cent; two-months 16⅜ per cent; three-months 16⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from October 1 1981. **Clearing Bank Deposit Rates** for sums at seven days' notice 14½ per cent. **Clearing Bank Rates** for lending 16 per cent. **Treasury Bills:** Average tender rates of discount 15.9795 per cent.

CURRENCY MOVEMENTS

Oct. 2	Bank of England Index	Morgan Guaranty Changes%
Sterling	87.3	−35.6
U.S. dollar	108.3	+2.4
Canadian dollar	87.5	−17.1
Austrian schilling	116.4	+24.2
Belgian franc	108.0	+10.3
Danish kroner	89.5	−7.5
Deutsche mark	121.1	+41.8
Swiss franc	144.2	+91.6
Guilder	111.4	+16.3
French franc	84.9	−10.2
Lira	57.3	−56.3
Yen	137.5	+32.9

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

Oct. 2	£	$		£ Note Rates
Argentina Peso	10,644-10,664†	5817-5837†	Austria	29.30-29.60
Australia Dollar	1.5900-1.5940	0.8725-0.8750	Belgium	74.90-75.80
Brazil Cruzeiro	197.65-198.65	108.10-108.64	Denmark	13.23-13.36
Finland Markka	8.078-8.101	4.4425-4.4475	France	10.02-10.17
Greek Drachma	101.817-104.855	56.45-56.6	Germany	4.17-4.23
Hong Kong Dollar	10.85½-10.93	5.96-5.99	Italy	2120-2180
Iran Rial	143.60*	80.25*	Japan	424-427
Kuwait Dinar (KD)	0.517-0.523	0.2830-0.2835	Netherlands	4.64-4.69
Luxembourg Fr.	68.15-68.25	37.51-37.53	Norway	10.70-10.80
Malaysia Dollar	4.2225-4.2325	2.3170-2.3190	Portugal	116-132
New Zealand Dlr.	2.3120-2.2170	1.2130-1.2140	Spain	170¾-182¾
Saudi Arab. Riyal	6.22-6.28	3.4125-3.4225	Sweden	10.15-10.25
Singapore Dollar	3.8525-3.8625	2.1140-2.1160	Switzerland	3.52½-3.57½
Sth. African Rand	1.7315-1.7335	0.9520-0.9530	United States	1.82-1.84
U.A.E. Dirham	6.70-6.76	3.6700-3.6750	Yugoslavia	79½-83

† Rate given for Argentine is the commercial rate. The financial rate for sterling 14,206-14,226 and for the dollar 7,750-7,800. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7965	40.5583	−0.59	+0.76	±1.5361
Danish Krone	7.91917	7.80158	−1.48	−0.14	±1.6413
German D-Mark	2.54502	2.47525	−2.74	−1.40	±1.1358
French Franc	5.99526	5.93916	−0.94	+0.40	±1.3635
Dutch Guilder	2.81318	2.74642	−2.37	−1.03	±1.5153
Irish Punt	0.685145	0.680265	−0.71	+0.63	±1.5668
Italian Lira	1262.92	1271.25	+0.66	+1.48	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for October 2 ... 0.592723

U.K. CONVERTIBLE STOCKS 3/10/81

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates‡	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−) Current
British Land 12pc Cv. 2002	9.60	235.50	333.3	80-97	5.2	3.3	−3.2	−4 to 11	16.3	90.4	30.4	+33.6
Hanson Trust 6½pc Cv. 88-93	3.02	129.50	57.1	76-82	5.0	2.0	−13.5	−14 to 4	4.2	0.0	−2.8	+10.7
Slough Estates 10pcCv. 87-90	5.31	200.00	187.5	78-84	4.3		−5.6	−8 to 5	13.8	16.3	−0.3	+4.7
Slough Estates 8pc Cv. 91-94	24.88	101.00	75.0	80-91	8.1	8.1	14.6	6 to 27	27.4	46.6	31.7	+7.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ‡ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Traumatic week ends with equities slightly harder overall and attempting to stabilise—Gilts neglected

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept 14	Sept 24	Sept 25	Oct 5
Sept 28	Oct 8	Oct 9	Oct 19
Oct 12	Oct 22	Oct 23	Nov 2

* "New-time" dealings may take place from 9.30 am two business days earlier.

The first leg of an equity trading Account which began with extraordinary swings in London values—the FT 30-share index equalled its biggest-ever gain on Tuesday after falling quite dramatically the day before—closed uneventfully yesterday. Trading conditions remained sensitive as the market came to terms with the fresh increase in interest rates, but there were occasional signs of genuine investment interest, usually in selected secondary issues.

Sporadic demand took leading shares progressively higher until 1.30 pm when a distinct turnround took place. This was attributed to professional book-levelling ahead of the weekend, and the slightly later news of this week's sharp rise in Treasury bill rate. Final quotations still recorded small improvements on balance and the FT 30-share index, up 6.1 at 1 pm, closed with a net gain of 1.3 at 476.3; on the week, this measure of the market showed its first weekly rise, although only of 1⁄4, since August 28. Early firmness on Wall Street yesterday acted as a stabilising influence on late equity sentiment.

Of the sectors, Properties revived with a flourish following a broker's favourable circular, while Composite Insurances recorded some useful gains, also in response to an investment recommendation. Elsewhere, companies reporting trading statements attracted a small interest.

Trade in Gilt-edged securities was stifled throughout by the possibility of new Government funding. The absence of either an index-linked or conventional tap stock issue came as a relief, but quotations after-hours' remained near to their official, 3.30 pm, closing levels. Inclined harder initially, the shorts eased back after the Treasury bill rate and settled with falls of ⅛ on balance.

Traded options finished the week on a relatively quiet note, attracting 1,340 deals: the week's daily average amounted to 2,191—the highest since Easter. **British Petroleum** recorded 186 calls and 132 puts yesterday, while **Racal** were traded 200 times for the call. The introduction of Vaal Reefs—dealt in U.S dollars—was something of a disappointment and only 32 calls and 5 puts were arranged.

Composites better

Composite Insurances returned to favour following investment advice. **Sun Alliance** closed 10 to the good at 835p, while **GRE**, 306p, and **Royals**, 358p, advanced 8 apiece. **Eagle Star** rose 7 to 288p, **General Accident** 6 to 314p and **Commercial Union** 4 to 143p. **Lloyds Brokers** also gained ground. **C. E. Heath** put on 7, to 272p, as did **Willis Faber**, to 332p.

Further consideration of the latest round of base lending rate increases helped the major clearing banks to make modest progress in thin trading. **Lloyds** gained 4 to 380p and **Barclays** 3 to 408p. Elsewhere, **Grindlays** rose 8 to 180p on revived speculative support. Dealings in **Arbuthnot Latham** were suspended soon after the market opening with the price at 305p, compared with 280p overnight, pending an announcement; the Board announced in June that the company had received several bid approaches.

The latest beer production figures prompted a firmer trend among leading Breweries, although the top levels were not always held. **Bass** closed a couple of pence dearer at 192p, while **Whitbread** finished 4 up at 143p, after 145p. **Arthur Guinness** rose 2 to 55p.

Among leading Buildings, **Blue Circle** hardened a couple of pence to 442p, as did **BPB Industries**, to 236p. **Ready Mixed Concrete** met with cheap buyers and improved 4 to 172p, while **Rugby Portland Cement** added 2 at 75p. Contracting and Construction issues also gained a few pence. **Costain** closed 4 up at 226p.

ICI remained a sensitive market and, after rising to 260p, drifted back to close unchanged on balance at 256p. Selected secondary issues improved, **Allied Colloids** adding 4 at 125p and **Yorkshire** 2 at 35p.

Slack trading conditions again prevailed in leading Stores which closed a shade easier for choice with **British Home**, 124p, and **Mothercare**, 164p, both 2 easier. Renewed support developed for **Polly Peck** and **Cornell Dresses**, both 13 dearer at 256p and 108p respectively, while Press comment helped **R. and J. Pullman** put on 3 at 47p. A more detailed appraisal of the interim results lifted **H. Samuel** 4 to 110p, but **Grattan** encountered profit-taking and, at 86p, lost 4 of Thursday's gain of 6 which followed the pleasing half-timer. Call option business helped **Bambers**, 3 better at 56p, and interest was also shown in **Heelamat**, 7 up at 95p. The possibility of a full-scale cash offer from **Ward White** lifted **Hiltons** 6 more to 110p, while the latter's intended merger partner **George Oliver** added 5 at 105p; **Ward White** closed 4 to the good at 51p. **Stylo** eased a couple of pence to 118p despite the reduced interim deficit.

STC feature

Standard Telephones and Cables sprang to life in Electricals, rising 26 to 425p on news that the company had won a £170m order for an undersea telecommunications cable between Australia and Canada. Early buying of the leaders soon petered out on lack of follow-through support to leave a mixed close. **Racal** touched 395p before finishing a net 8 dearer at 388p, while **GEC** hardened a few pence to 675p, after 683p. **Thorn EMI** softened 3 to 415p, after 423p, and **Plessey** ran back from 306p to 298p for a loss of 2 on balance. Elsewhere, **Emess Lighting** rose 8 to 123p following satisfactory preliminary figures and **Farnell** advanced 15 to 430p on buying ahead of Thursday's interim statement. Old speculative favourite **Muirhead** improved 4 to 104p on news that Tyco Laboratories had increased its stake in the company to just over 27 per cent. Buyers returned for **United Scientific**, which added 33 at 440p, while **Amstrad** gained 8 to 153p as did **Unitech**, to 210p. **Bowthorpe** put on 4 more to 176p, reflecting further consideration of the better-than-expected half-yearly results.

The volume of business in leading Engineering was small and the trend undecided. **Vickers** hardened 2 to 150p following comment on the interim results, while **Hawker** put on 4 at 274p. **John Brown** softened a penny to 70p. Secondary issues attracted selective support. Still reflecting bid hopes, **G. M. Firth** advanced 6 more to 137p and **Chemring** picked up 10 to 190p. **Haden** gained 8 to 200p, while **Adwest** put on 6 at 138p.

Business in Foods was generally thin, but prices usually improved a few pence. Selected Retailers attracted interest, with **Kwik Save** adding 7 at 195p and **Nurdin and Peacock** 8 at 124p. **Fitch Lovell**, the subject of considerable speculative interest of late, slipped to 71p before closing just 2 cheaper on balance at 73p. Elsewhere, **Avana** firmed 5 to 232p on news that Northern Foods had increased its stake in the company. **Bluebird Confectionery** closed 4 higher at 54p despite the annual profits contraction, while revived bid hopes helped **Cliffords Dairies A** rise 3 to 119p.

Leading Hotels and Caterers ended the first leg of the Account on a quietly firm note. **Ladbroke** recovered 6 to 132p and **Grand Metropolitan** regained a couple of pence to 166p. Elsewhere, demand in thin markets lifted *Old Swan Hotel* 6 to 64p and **Kennedy Brookes** 11 to 118p.

Dry-cleaners rally

Miscellaneous Industrial leaders brought a traumatic week's business to a quietly firm close. Although early buying interest soon wavered, a late improvement helped **Unilever** end 12 higher at 550p and **Glaxo** 8 better at 372p. The recently heavily sold dry-cleaning shares staged a strong recovery among secondary issues stocks. **Initial Services** led the improvement with a gain of 16 to 196p, while **Pritchard Services** put on 10 to 141p. **Johnson Cleaners**, 194p, and **Sketchley**, 234p, rose 5 apiece. Still reflecting the settlement of the buyer's premium dispute within the auction business, **Christies International** appreciated 10 more at 158p and **Sothebys** advanced 15 to 400p. Investment demand lifted **BTR** 14 to 320p and **Hanson Trust** 6 to 264p. Reports of a broker's favourable circular left **ICL** 4 up at 34p, while **Camrex** and **Dufay Bitumastic** both rose 3 to the common level of 42p following Press comment. Acquisition news helped **Sidlaw** rise 4 to 162p and **Avon Rubber** rose 10 to 108p on revived bid hopes. **Asprey**, the Bond Street jeweller, which are dealt in under special rule, were marked up 2½ points to £30 on the doubled annual profits and major expansion plans. **EIS** picked up 10 to 122p and **Siebe Gorman** gained 8 to 190p.

Several bright features emerged in the Leisure sector. **Campari** touched 41p before closing a net 8 up at 40p on the second-half profits recovery, while **Horizon Travel** firmed 10 to 203p following small buying. Among Television issues, **HTV** added 5 at 96p in continued response to the annual results. **LWT A** revived with a gain of 6 to 97p and **Scottish TV** improved 3 to 66p.

Publishers often displayed useful rises. **News International** firmed 5 to 93p following settlement of "The Times," dispute, while **Home Counties** rallied 10 to 60p in a narrow market. *W. N. Sharpe*, 385p, *and Link* **House**, 210p, rose 15 and 8 respectively.

Properties took heart from favourable Press comment and a broker's bullish circular, but the leaders failed to hold best levels. **Land Securities** settled 6 higher on balance at 279p, after 283p. **MEPC** touched 204p before closing a net 4 up at 200p following the announcement of a new £30m loan facility, while **Berkeley Hambro** finished only 2 dearer on balance at 225p, after 235p. Secondary issues displayed some useful gains. **Allnatt (London)** advanced 17 to 195p, **Lynton** rose 21 to 225p and **Apex** 10 to 110p.

Middle East uncertainties prompted further modest support for the Oil majors. **British Petroleum** firmed 8 to 278p and **Shell** 6 to 330p. Outside the leaders, onshore explorers **Candecca** and **Carless** rose 12 apiece to 138p and 114p respectively.

Warren Plantations, currently in receipt of a contested bid from **McLeod Russel**, rose 3 more to 220p, or 5 above the offer terms. **McLeod** closed 15 higher at 270p. Elsewhere in Overseas Traders, **Lonrho** attracted a useful two-way trade and ended a penny better at 75p. **Mitchell Cotts** firmed a like amount to 45½p following comment on the preliminary results.

Tanks in demand

Investment Trusts took a turn for the better. **RIT**, 322p, and **Atlantic Assets**, 233p, rose 7 and 10 respectively, while **Gresham House**, a particularly weak market of late, rallied 15 to 195p. Financials were featured by stockjobbers **Akroyd and Smithers**, which advanced 15 to 165p on reports that New York broker Merrill Lynch had acquired a near-5 per cent stake in the company.

Shippings closed at around the day's best. **P & O Deferred** rose 3 to 103p, while **Common Bros.** firmed 10 to 260p. The interim results from **Lyle** were well-received and the close was 35 higher at 295p.

Mining shares were generally quiet yesterday, but some sections were enlivened by activity near the close.

Societe Generale de Belgique, which picked up 21 per cent of Tanks a week ago in a market raid to take its stake to just above 50 per cent, unexpectedly moved back into the London market with an unchanged offer of 450p a share last night. Tanks rose from an early level of 435p to a close of 450p. Jobbers reported that there were few takers at this price, although little is to be expected from the Tanks results, due this weekend.

Other London Financials were quiet, showing **Consolidated Gold Fields** 1 firmer at 463p, **Charter** a penny weaker at 217p and **Rio Tinto-Zinc** 5 lower at 460p.

Australians also picked up towards the close, with **CRA** gaining 15 to 216p, **Western Mining** 9 to 290p, and **MIM Holdings** 6 to 238p. **Bougainville** stood up well in the face of the demonstration which has closed the mine for an indeterminate period, and gained 4 to 80p on hopes that the dispute will be settled quickly.

FINANCIAL TIMES STOCK INDICES

	Oct. 2	Oct. 1	Sept. 30	Sept. 29	Sept. 28	Sept. 25	A year ago
Government Secs	60.60	60.66	60.67	60.86	60.45	61.11	70.76
Fixed Interest	63.23	63.25	62.18	62.24	61.94	62.76	71.72
Industrial Ord.	476.3	475.0	475.4	481.2	457.5	474.7	479.4
Gold Mines	376.5	377.9	371.2	370.5	354.3	398.3	509.5
Ord. Div. Yield	6.28	6.31	6.32	6.25	6.57	6.35	7.08
Earnings, Yld. % (full)	10.56	10.76	10.77	10.65	11.21	10.82	17.33
P/E Ratio (net) (*)	12.19	11.93	11.91	12.04	11.44	11.85	7.07
Total bargains	18,093	18,285	24,319	32,048	29,328	27,325	20,186
Equity turnover £m.	—	106.51	125.29	171.55	170.19	189.92	133.02
Equity bargains	—	14,137	19,226	27,261	27,333	23,892	16,216

10 am 476.3, 11 am 477.5, Noon 479.5, 1 pm 481.4, 2 pm 476.7, 3 pm 476.2.

Latest Index 01-246 8026.

*Nil = 10.63.

Basis 100 Govt. Secs. 15/11/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	60.45 (28/9)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3)	61.94 (28/9)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/8)	262.5 (29/9)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 1	Sept. 30
Daily		
Gilt Edged Bargains	151.8	221.3
Equities Bargains	91.6	124.5
Value	215.5	253.8
5-day Avrge.		
Gilt-Edged Bargains		
Equities Bargains	176.5	175.8
Bargains	145.0	150.0
Value	512.6	357.5

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (2)

STORES (1)
Hiltons

INDUSTRIALS (1)
St. Gobain

NEW LOWS (46)

BRITISH FUNDS (12)
Treas. 9½pc '83 | Treas. 12pc '84
Exch. 13½pc '83 | Treas. 15pc '83
Exch. 10pc '83 | Exch. 12pc Cnv. '85
Exch. 11½pc '84 | Treas. 11½pc '85
Exch. 11½pc '84 | Exch. 12½pc '86
Exch. 14pc '84 | Treas. 12pc '86

CORPORATION LOANS (6)
Bath 11½pc '85 | London Corp. 13½pc '83
Birmingham 12½pc '85 | Sunderland 12½pc '84
GLC 12½pc '82 | Liverpool 3½pc '80-84

COMMONWEALTH LOANS (1)
Zimbabwe Ann

BUILDING SOCIETIES (1)
Nationwide 14½pc 11.8.82

AMERICANS (3)
Burroughs Corp. | Kaiser Aluminium
Crown Zellerbach

BUILDINGS (1)
Javolant

ENGINEERING (1)
Robinson (T.)

INDUSTRIALS (4)
Astbury & Madeley | Jardine Matheson
Hoover A | Jourdan (T.)

INSURANCE (1)
Liberty Life

PAPER (1)
Clondalkin Group

PROPERTY (1)
Swire Props.

SOUTH AFRICANS (1)
Gold Fields Prop.

TRUSTS (4)
Archimedes Cap. | Bonusbond
Eng. & Scot. Inv. | Yelverton

OIL AND GAS (1)
Sunmask

RUBBERS (3)
Anglo-Indonesian | Kulim
Cons. Plantations

TEAS (2)
Assam Frontier | Williamson

MINES (3)
Coronation | Loris
Wankie Colliery

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	7	13	72	113	193	154
Corpns. Dom and Foreign Bonds	8	21	41	49	89	212
Industrials	495	105	769	2,027	1,895	2,938
Financial and Props.	254	27	222	832	775	908
Oils	47	14	42	191	163	161
Plantations	3	6	14	14	36	65
Mines	62	14	91	262	244	329
Others	62	38	102	242	340	421
Totals	941	236	1,353	3,730	3,735	5,188

LEADERS AND LAGGARDS

Percentage changes since December 31, 1980 based on Thursday, October 1, 1981

Tobaccos	+22.64	Mechanical Engineering	+ 1.11
Insurance Brokers	+20.63	Hire Purchase	+ 0.47
Contracting, Construction	+16.92	Other Consumer	+ 0.42
Health and H'sehold Products	+15.59	Financial Group	− 0.53
Other Industrial Materials	+13.61	Newspapers, Publishing	− 0.96
Food Manufacturing	+10.89	Brewers and Distillers	− 2.34
Textiles	+ 9.57	Office Equipment	− 3.22
Insurance (Life)	+ 9.46	Motors	− 3.49
Building Materials	+ 9.40	All-Share Index	− 4.44
Leisure	+ 8.45	Investment Trusts	− 5.35
Electricals	+ 8.00	500 Share Index	− 5.36
Capital Goods	+ 7.50	Gold Mines Index	− 7.26
Engineering Contractors	+ 5.96	Other Groups	− 8.65
Food Retailing	+ 5.86	Merchant Banks	− 9.19
Packaging and Paper	+ 5.54	Stores	− 9.55
Insurance (Composite)	+ 5.00	Overseas Traders	−10.58
Metals and Metal Forming	+ 4.72	Property	−10.89
Consumer Group	+ 3.10	Chemicals	−11.40
Industrial Group	+ 2.99	Shipping and Transport	−16.54
Mining Finance	+ 1.89	Discount Houses	−20.82
Banks	+ 1.34	Oils	−32.05

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Oct. 2, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Oct. 1 Index No.	Wed., Sept. 30 Index No.	Tues., Sept. 29 Index No.	Mon., Sept. 28 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (210)	313.21	+1.4	11.38	5.04	10.84	308.96	310.49	310.43	294.08	280.03	380.30 (28/8)	272.28 (15/1)	380.30 (28/8/81)	50.71 (13/12/74)
2	Building Materials (25)	272.13	+1.1	16.68	6.30	6.83	269.29	270.75	273.89	259.17	248.48	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	490.64	+2.0	19.34	5.81	6.01	480.93	487.08	482.65	451.60	413.17	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (30)	1046.94	+1.3	8.70	2.74	14.34	1033.97	1034.64	1099.04	987.19	856.72	1266.15 (28/8)	888.13 (15/1)	1266.15 (28/8/81)	84.71 (25/6/62)
5	Engineering Contractors (9)	429.31	+1.9	15.09	6.41	7.82	421.18	426.17	415.39	391.31	341.91	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (66)	174.99	+0.9	13.15	6.27	9.80	173.45	174.88	174.28	165.29	177.68	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)	146.49	+1.9	9.84	8.09	13.77	143.82	144.55	145.08	135.93	156.34	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	88.74	−0.3	—	7.60	—	88.97	88.63	89.41	84.06	96.47	112.76 (1/5)	84.06 (28/9)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	335.15	+2.6	9.90	6.75	12.31	326.54	329.89	324.22	309.03	0.00	405.13 (14/8)	277.55 (15/1)	405.13 (14/8/81)	277.55 (15/1/81)
21	CONSUMER GROUP (197)	247.10	+0.6	14.14	6.54	8.72	245.53	245.20	247.47	233.55	236.16	296.18 (17/8)	227.50 (14/1)	296.18 (17/8/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	259.95	+1.1	17.26	7.44	6.98	257.04	254.25	260.31	250.17	275.71	325.16 (16/6)	244.42 (13/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	236.84	+1.2	16.88	7.11	7.14	234.08	235.16	236.53	223.49	217.79	277.87 (3/9)	204.17 (14/1)	277.87 (3/9/81)	59.67 (11/12/74)
26	Food Retailing (15)	500.56	+1.5	9.96	3.56	12.02	493.02	482.28	482.21	446.45	382.91	572.90 (3/9)	440.89 (11/3)	572.90 (3/9/81)	54.25 (11/12/74)
27	Health and Household Products (7)	308.43	+1.0	8.98	4.79	13.30	305.23	303.53	304.31	285.32	232.77	363.73 (3/9)	245.38 (14/1)	363.73 (3/9/81)	175.38 (28/5/80)
29	Leisure (24)	380.27	+0.5	10.71	5.78	11.58	378.51	382.24	381.87	355.04	339.07	476.41 (14/8)	327.38 (16/1)	476.41 (14/8/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	432.60	+2.8	14.22	6.94	10.07	420.88	428.04	426.11	414.73	450.27	526.15 (11/5)	414.73 (28/9)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)	122.32	+1.2	15.77	8.71	7.66	120.91	120.85	123.05	115.73	124.69	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (45)	222.83	−0.3	12.95	5.96	10.30	223.39	223.32	226.80	214.80	234.09	294.06 (30/4)	214.80 (28/9)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	138.20	+1.2	9.10	6.65	15.32	136.61	138.44	138.49	132.61	119.35	172.84 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	243.02	−0.7	23.40	10.71	4.92	244.81	246.22	246.41	228.92	221.85	271.22 (28/8)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (14)	241.70	+1.1	8.31	7.18	19.13	239.13	242.43	240.83	229.84	0.00	311.40 (1/5)	229.84 (28/9)	311.40 (1/5/81)	229.84 (28/9/81)
41	OTHER GROUPS (80)	204.46	+1.5	12.13	6.94	10.55	201.49	201.73	200.65	191.89	220.22	249.19 (30/4)	191.89 (28/9)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (16)	263.76	+0.2	6.12	6.81	27.22	263.25	262.87	263.47	252.89	299.18	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (5)	98.14	−0.1	17.40	8.71	6.91	98.25	97.91	98.00	95.19	102.01	129.79 (22/4)	93.19 (14/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	461.43	+2.9	22.92	7.94	5.19	448.58	449.86	447.15	430.18	558.30	644.76 (24/4)	430.18 (28/9)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (46)	264.75	+2.9	14.23	6.36	8.52	257.32	258.57	254.52	240.93	279.69	314.68 (3/9)	240.93 (28/9)	314.68 (3/9/81)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (487)	263.70	+1.0	12.84	6.02	9.65	261.03	261.39	262.38	248.39	251.02	315.22 (17/8)	241.24 (15/1)	315.22 (17/8/81)	59.01 (13/12/74)
51	Oils (13)	637.84	+2.5	22.32	8.85	5.07	622.59	606.29	608.47	588.96	869.74	923.71 (2/1)	588.96 (28/9)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	294.05	+1.3	14.49	6.51	8.33	290.36	289.38	290.47	276.00	299.98	353.39 (17/8)	276.00 (28/9)	353.39 (17/8/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (119)	237.60	+1.8	—	6.39	—	233.38	233.94	231.24	223.02	249.99	279.45 (1/9)	223.02 (28/9)	279.45 (1/9/81)	55.88 (13/12/74)
62	Banks (6)	252.09	+0.8	35.42	7.47	3.32	250.16	251.84	246.44	235.49	249.01	287.38 (17/7)	220.84 (11/3)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	232.19	+1.0	—	9.76	—	229.81	230.31	227.70	235.33	296.26	314.03 (20/3)	227.70 (29/9)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (3)	199.64	+0.7	15.58	9.26	8.89	198.22	197.83	197.12	186.09	227.21	274.53 (25/3)	186.09 (28/9)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	254.11	+0.6	—	6.24	—	252.61	252.97	249.61	243.49	262.81	298.44 (1/9)	222.74 (7/1)	298.44 (1/9/81)	44.88 (2/1/75)
66	Insurance (Composite) (10)	158.09	+2.2	—	8.47	—	154.61	155.30	152.71	150.83	177.02	188.09 (1/9)	142.06 (19/1)	188.09 (1/9/81)	43.96 (13/12/74)
67	Insurance Brokers (8)	393.14	+2.0	11.70	6.11	11.63	385.50	389.60	387.71	370.66	343.85	443.91 (11/9)	294.21 (20/1)	443.91 (11/9/81)	65.86 (16/12/74)
68	Merchant Banks (13)	137.53	+2.2	—	5.85	—	134.59	133.05	133.29	127.53	145.52	139.36 (2/7)	127.53 (28/9)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (50)	408.65	+3.0	4.71	3.48	28.74	396.56	396.43	396.23	377.11	459.21	517.77 (2/4)	377.11 (28/9)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (9)	157.77	+1.6	20.55	7.01	5.91	155.21	154.32	152.62	145.06	153.99	165.99 (13/8)	145.06 (28/9)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	270.88	+1.5	—	5.90	—	266.81	268.96	268.36	257.70	274.39	332.90 (17/8)	257.70 (28/9)	332.90 (17/8/81)	71.63 (13/12/74)
81	Mining Finance (3)	231.31	−0.5	14.96	6.15	8.04	232.49	227.27	231.67	221.25	261.35	296.26 (14/8)	200.76 (6/2)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (19)	389.73	+1.7	11.96	7.63	10.66	383.08	386.07	382.21	369.85	458.42	488.51 (18/5)	369.85 (28/9)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	282.78	+1.3	—	6.47	—	279.02	278.49	278.69	265.85	291.86	338.64 (17/8)	265.85 (28/9)	338.64 (17/8/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri., Oct. 2	Day's change %	Thurs., Oct. 1	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	104.02	+0.02	104.00	—	7.82
2	5-15 years	97.71	−0.01	97.72	—	10.01
3	Over 15 years	98.95	+0.03	98.92	—	10.50
4	Irredeemables	105.82	—	105.82	—	9.05
5	All Stocks	99.88	+0.01	99.86	—	9.38
6	Debentures & Loans	76.76	+0.19	76.61	—	8.18
7	Preference	58.71	−1.80	59.50	—	5.75

	AVERAGE GROSS REDEMPTION YIELDS		Fri., Oct. 2	Thurs., Oct. 1	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low Coupons	5 years	13.97	13.93	11.38	13.97 (2/10)	11.20 (28/3)
2		15 years	14.28	14.27	11.98	14.38 (28/9)	11.86 (28/3)
3		25 years	14.37	14.36	11.58	14.47 (28/9)	11.88 (6/1)
4	Medium Coupons	5 years	16.25	16.21	12.96	16.25 (2/10)	12.91 (20/3)
5		15 years	16.27	16.25	13.16	16.39 (28/9)	13.32 (20/3)
6		25 years	15.81	15.80	12.94	15.90 (28/9)	13.09 (28/3)
7	High Coupons	5 years	16.26	16.21	13.12	16.26 (2/10)	12.98 (20/3)
8		15 years	16.42	16.39	13.39	16.52 (28/9)	13.54 (20/3)
9		25 years	16.02	16.01	13.18	16.08 (28/9)	13.15 (20/3)
10	Irredeemables †		14.22	14.20	11.11	14.22 (2/10)	11.35 (28/3)
11	Debs & Loans	5 years	16.71	16.75	14.03	17.37 (28/9)	13.80 (27/3)
12		15 years	17.14	17.17	13.95	17.30 (28/9)	14.16 (9/3)
13		25 years	17.16	17.29	13.87	17.23 (30/9)	14.25 (27/3)
14	Preference †		16.75	16.41	14.51	16.77 (28/9)	14.29 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.

CONSTITUENT CHANGE: Serck (Mechanical Engineering) has been deleted and replaced by Stewart Plastics (Chemicals). For other constituent changes this week, see Financial Times of Sept. 28, Page 14.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS—contd.

Cornhill Ins. (Guernsey) Ltd.

Corteza International

Craigmount Fixed Int. Mgrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Duncan Lawrie Inv. Mgt. (Jersey)

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

S.G. Europe Obligations S.A.

Eurotax Investments Ltd.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity International Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G. T. Management (U.K.) Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Assicurazioni GENERALI S.p.A.

Granville Management Ltd.

Management International Ltd.
Bk. of Bermuda Bldg., Bermuda. 809-295-4000
Prices Sept. 28. Next dealing Oct. 5.

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey. 0534 36281

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195, St. Helier, Jersey. 0534 27561

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2. 01-588 4000

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AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

Equity Accum. (2)	238.0	250.5		4.33

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

Property Fd. Aug. 31		153.90	....	6.83
Wider Fund Aug. 31		296.75	....	4.76
Narrower Fd. Aug. 31		72.20	....	14.14

*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ 01-626 4588

American	69.8	75.0	+0.2	2.43
(Accum. Units)	75.4	81.1	+0.2	2.43
American Recovery	74.9	80.5	+0.1	1.79
(Accum. Units)	77.4	83.2	+0.2	1.79
Australasian	87.8	95.9	-1.7	1.53
(Accum. Units)	92.7	99.7	-1.8	1.53
Commodity	125.2	131.8	-1.7	3.65
(Accum. Units)	146.4	156.8	-2.0	3.59
Compound Growth	167.8	182.5	-0.3	3.43
Conversion Growth	111.1	120.0	-2.7	2.76
Conversion Income	69.1	74.6	+0.3	9.61
Dividend	119.8	129.4	+0.3	10.52
(Accum. Units)	274.2	296.1	+0.9	10.52
European	58.0	62.3	-0.5	3.81
(Accum. Units)	64.6	69.4	-0.5	3.81
Extra Yield	75.0	81.9	+0.3	10.43
(Accum. Units)	126.5	137.9	+0.5	10.43
Far Eastern	106.4	114.9	-3.1	1.64
(Accum. Units)	122.5	132.3	-3.5	1.64
Fund of Inv. Tsts.	85.5	93.2	-0.3	5.08
(Accum. Units)	116.8	127.3	-0.3	5.08

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS-Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
45	32	Acmex 50c	42	......	Q2.5c	—	3.7
41	14	ACM 20c	24	+3	—	—	—
21	10	Argosy Gold NL 25c	10	......	—	—	—
229	134	Bond Corp.	134	......	Q10c	2.3	4.7
112	70	Bougainville I Kina	80	+4	‡Q25.4c	1.0	‡
302	194	CRA 50c	216	+15	Q19c	1.7	5.4
25	10½	Canada Northwest	11	+½	—	—	—
35	13	Carr Boyd 20c	16	+1	—	—	—
415	43	Central Pacific	44	......	—	—	—
35	12	Cons. Gold Min. N.L. 50c	13	......	—	—	—
47	13	Coltus Pacific N.L.	16	+2	—	—	—
68	22	Eagle Corp. 10c	30	......	—	—	—
40	26	Endeavour 20c	26#	......	—	—	—
560	310	G. M. Kalgoorlie 25c	505	+5	Q32½c	ɸ	3.9
25	8	Great Eastern	9	......	—	—	—
185	80	Greenbushes Tin 50c	95	+15	Q6c	1.9	3.8
275	140	Hampton Areas 10p	140	......	2.5	3.1	2.6
168	36	Haoma Gold N.L.	38	+1	—	—	—
85	20	Intl. Mining	22	+2	—	—	—
118	29	Jimberlana (50cFP)	36	......	—	—	—
15	10	Kalbara Min 20c	12	......	—	—	—
245	135	Kitchener NL 25c	170	+5	—	—	—
105	20	Leichardt Expln.	24	+2	—	—	—
430	275	Meekatharra	330	+20	—	—	—
70	40	Metals Ex. 50c	44	+2	§Q3c	ɸ	4.0
38	20	Metramar Mins. 20cts.	23	+1	—	—	—
20	10	Mid East Mins. NL	11	+½	—	—	—
290	190	M.I.M. Hldgs. 50c	258	+6	Q15c	ɸ	3.9
21	7½	Minefields Expl. 25c	7½	......	—	—	—
20	13	Newmetal 20c	16	......	—	—	—
69	41	Nickelore N.L.	46	......	—	—	—
204	149	North B. Hill 50c	165	+4	Q18c	ɸ	6.8
84	50	Nth. Kalgurli	75	......	—	—	—
200	94	Nth. Mining Corp.	176#	......	ɸ—	—	—
122	26	N. West Mining N.L.	28	+2	ɸ—	—	—
150	106	Oakbridge 50c	113	......	Q6½c	ɸ	3.6
185	95	Otmin N. L.	95	......	—	—	—
188	118	Pacific Copper	120	......	—	—	—
*423	140	Pancont'l 25c	145	+1	—	—	—
88	42	Paringa M&Ex.5p	72	......	ɸ—	—	—
525	375	Peko-Wallsend 50c	390	......	Q15c	—	2.4
43	17½	Pelsart Res NL	17½	......	—	—	—
120	58	Seltrust A	67	+1	—	—	—
157	18	Southern Pacific	20	......	—	—	—
100	40	Swan Resources 20c	50	......	—	—	—
316	75	Vultan Mins 20c	75	......	—	—	—
18½	8	West Coast 25c	10	......	—	—	—
130	90	Westn. Coml 50c	90	......	—	—	—
335	227	Westn. Mining 50c	290xd	+9	Q14c	ɸ	2.9
27	14	Westmex	14	......	—	—	—
76	38	Whim Creek 20c	46	......	—	—	—
101	26	York Resources	29	+3	—	—	—

Tins

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
16	8½	Amal Nigeria 1p	9	......	‡†6.0	—	—
300	210	Ayer Hitam $M1	210	......	‡Q205c	1.0	‡
210	98	Geevor	169	......	—	—	—
11	8	Gold & Base 12½p	9½	......	—	—	—
660	480	Gopeng Cons.	480	+10	‡30.0	1.8	‡
450	310	Hongkong	320	......	21.0	ɸ	9.7
160	110	Idris 10p	160	+10	‡9.0	0.8	‡
*29	10	Jantar 12½p	23	......	‡1.5	ɸ	9.3
98	70	Kamunting $M0.50	70	......	Q27½c	0.8	0.0
665	363	Killinghall $M1	500	......	bQ65.7c	ɸ	3.0
114	88	Malay Dredging 10c	114#	......	ɸ‡Q39c	0.9	7.7
68	30	Pahang	32	......	‡0.63	0.8	‡
118	90	Pengkalen 10p	103	+3	3.5	0.6	4.9
380	290	Petaling $M1	290	......	‡Q180c	1.4	‡
25	19	South Crofty 10p	24#	......	—	—	—
225	190	Sungei Besi $M1	190	......	Q310c	1.1	36.8
185	95	Supreme Corp. $M1	100	......	§Q15½c	ɸ	3.5
118	100	Tanjong 15p	100	......	3.5	3.7	5.0
90	62	Tongkah H. Tin $Sm	62	......	Q23%	0.4	7.4
410	240	Tronoh $M1	240xd	......	‡Q110c	1.2	‡

Copper

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
410	165	Messina R0.50	320	......	†Q45c	4.7	8.0

Miscellaneous

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
175	35	Anglo-Dominion	45	......	—	—	—
25½	14	Burma Mines 10p	14	......	0.75	0.9	7.7
330	85	Colby Res. Corp.	92	......	—	—	—
330	200	Cons. Murch. 10c.	270	......	t030c	1.8	6.4
10	6	††Explaura Gold	10	+½	—	—	—
98	47	††Hemerdon 10c	47	......	—	—	—
180	65	Highwood Res.	80	+5	—	—	—
505	260	Northgate C$1	290	......	—	—	—
633	372	R.T.Z.	460	–5	16.0	2.3	5.0
£130½	£93½	Do. 9½% Cv. Ln. '95-2000	£106	+1½	Q9½%	—	f9.2
103	13	††SPO Minerals 10p	20	+2	—	—	—
47	20	Sabina Inds. C$1	20	......	—	—	—
44	21	††SWCM 10p	26	+2	—	—	—
585	465	Tara Expln. $1	572	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" *distribution basis, earnings per share being computed on profit after* taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable *ACT. Yields are based on middle prices, are gross, adjusted to ACT of* 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ *Interim since reduced, passed or deferred.*
- ‡‡ Tax-free to non-residents on application.
- ɸ Figures or report awaited.
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ *Not comparable.*
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ *Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.*
- ∥ No par value.

ɸɸ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ✣✣ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. *g Assumed dividend and yield.* h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. *B Preference dividend passed or deferred. C Canadian.* E Minimum tender price. F Dividend and yield based on prospectus or other official *estimates for 1981-82.* G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on *prospectus or other official estimates for 1980. N Dividend and yield* based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –	IRISH	Price	+ or –
Albany Inv. 20p	40xd	......	Conv. 9% '80/82	£92	......
Bertrams	8	......	Nat. 9¾% 84/89	£62½	......
Bdg'wtr. Est. 50p	400xd	......	Fin. 13% 97/02	£72¼	......
Craig & Rose £1	£13	......	Alliance Gas	63	......
Finlay Pkg. 5p	22½xd	+3½	Arnott	232	......
Graig Ship. £1	£17	......	Carroll (P.J.)	75	......
Higsons Brew	60	......	Concrete Prods.	90	......
Holt (Jos) 25p	518xd	......	Helton (Hldgs.)	26	......
I.O.M. Stm. £1	148	......	Irish Ropes	42	......
Pearce (C. H.)	730	+30	Jacob	60	......
Peel Hldgs.	102	......	T.M.G.	15	......
Sheff. Refrshmt	83	......	Unidare	65	......
Sindall (Wm.)	192	......			

OPTIONS

3-month Call Rates

Industrials				Stock	
		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	18	Vickers	18
BOC Intl.	11	"Imps"	5	Woolworths	5
B.S.R.	7	I.C.L.	4		
Babcock	9	Ladbroke	15	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	7
Beecham	17	Lex Service	10	Cap. Counties	11
Blue Circle	35	Lloyds Bank	28	Land Secs.	30
Boots	18	"Lofs"	3½	MEPC	20
Bowaters	19	London Brick	7	Peachey	15
Brit. Aerospace	17	Lucas Inds.	18	Samuel Props.	13
B.A.T.	23	"Mams"	11	Town & City	2¼
Brown (J.)	8	Mrks. & Spncr	10		
Burton Ord.	12	Midland Bank	26	**Oils**	
Cadburys	8	N.E.I.	8	Brit. Petroleum	28
Courtaulds	5½	Nat. West. Bank	30	Burmah Oil	11
Debenhams	7	P & O Dfd.	10	Charterhall	6
Distillers	17	Plessey	26	KCA	12
Dunlop	7½	Racal Elect.	34	Premier	6
Eagle Star	25	R.H.M.	5	Shell	28
F.N.F.C.	3½	Rank Org. Ord.	18	Tricentrol	25
Gen. Accident	30	Reed Intnl.	25	Ultramar	40
Gen. Electric	55	Sears	5		
Glaxo	28	Tesco	5½	**Mines**	
Grand Met.	16	Thorn EMI	30	Charter Cons.	21
G.U.S. 'A'	44	Trust Houses	15	Cons. Gold	40
Guardian	30	Tube Invest.	16	Lonrho	7
G.K.N.	12	Turner & Newall	10	Rio T. Zinc	45
Hawker Sidd	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

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FINANCIAL TIMES

Saturday October 3 1981

MEN IN THE NEWS

Modest Moscow prizes

BY KEVIN DONE

WITH THE first Russian contracts in the bag Jos van Beveren took himself off earlier this week to the southern German health resort of Oberstaufen, close to the Austrian border, for some well-earned rest and recuperation. For 20 years van Beveren, Belgian-born but now a German citizen, has played a leading role in guiding Mannesmann, the West German steel pipes and engineering group, along the labyrinthine paths of trade negotiations with Moscow. And it does not get any easier.

As the first pieces of the jig-saw of the Soviet Union's ambitious plans to build a 5,000 km natural gas pipeline from Western Siberia to West Europe began to fall into place this week with the award of the first contracts, it started to become clear that the extravagant hopes of many plant contractors, particularly in the Federal Republic, are likely to be dashed. The prizes being handed out by Moscow are more modest than expected and many hopefuls are being forced to leave the party empty handed.

The massive pipeline project dangled before Western governments and equipment suppliers more than a year ago has been

Peter Schreiber
"Different Russian Tactics"

progressively slimmed down by the Russians in the past eight months as they tested out the limits of Western financing.

Instead of the double pipeline planned at one stage, the Russians are pressing ahead now — in the initial phase at least — with only one line with a maximum capacity for transporting 28-30bn cubic metres of natural gas a year. They are carrying out the assembly and construction work themselves leaving equipment and pipe orders for Western suppliers of only DM 9-10bn, less than half the DM 20bn originally expected.

In the scramble for orders the Russians have been able to pick off competing contractors and competing countries one by one, paring prices down to the bone and demanding and getting interest rates that Western buyers would barely dare dream about.

"The Russians always succeed, they are the best purchasers in the world," says van Beveren with open admiration. "They are splendid at buying all around the world, but they do follow certain game rules. They squeeze the last drop out of a deal."

The flurry of visits by leading German industrialists and bankers to Moscow and Cologne—the cast has been led by the likes of Wilhelm Christians of Deutsche Bank, Ernst Pieper of Salzgitter, Egon Overbeck of Mannesmann, Heinz Dürr of AEG - Telefunken and Klaus Liesen of Ruhrgas—has been able to do little to disguise the fact that "West Germany Incorporated" has in the final analysis been unable to match fully the subsidised finance available in France, Italy and the UK.

The Russians have adopted quite different tactics for this project, says Peter Schreiber, 45-year-old board member at AEG Telefunken, the electrical group, which landed orders worth DM 700m this week for the delivery of 47 gas turbines. They have kept tight control themselves of all negotiations with potential individual suppliers.

The DM 2.2bn general contracting and engineering contract signed this week by van Beveren and his colleagues for the Mannesmann/Creusot Loire partnership has been much more narrowly defined than in earlier Soviet projects. "The Russians are acting much more like the big oil companies now, keeping much of the control in their own hands."

Mannesmann and its French partner have been beaten down to a cheese-pared fee of only 6-7 per cent of the contract price, while the Germans have had to sit back and see another large part of the general contracting job worth DM 1.8bn awarded to Italian rivals, Nuovo Pignone.

Iran bombs four Iraqi power stations

BY TERRY POVEY IN TEHRAN

IRAN YESTERDAY claimed to have bombed and badly damaged four Iraqi power stations in its biggest air strike for several months.

There was no immediate confirmation from Baghdad of the raids which were 24 hours after Iranian jets were alleged to have bombed an oil gathering station in the north of Kuwait. Iran has denied it was responsible.

The fighting in the year-old Gulf war has intensified steadily in the past four weeks. Iraq forces have been driven back from the approaches to the town of Susangerd, and forced to lift the partial seige of the oil refining town of Abadan.

The communique issued yesterday by Iran's armed forces said Iranian aircraft

struck soon after dawn at power stations in north, north-eastern and southern Iraq.

The four generating stations were between 50 and 100 per cent destroyed. All aircraft returned safely to base, the communique said.

The power stations had a combined electricity output of 1,600 mw, according to Iranian officials.

One of the attacks was on the Al-Zubair power station close to the port of Umm al-Qasr. This is adjacent to the Kuwait border and near the scene of Thursday's alleged Iranian attack.

Iran's joint chiefs of staff said that the raids were carried out in retaliation for "Iraq's bombardment of the defenceless civilian population of Adbadan" on Monday, and for an attack on "one of the country's industrial installations."

It is believed that Iran's military leaders were referring to the bombing by Iraq earlier this week of a major pumping station which feeds the Kharg Island oil terminal.

The air raids on strategic oil and power installations during the last week is further evidence that a new "gloves off" phase appears to have started in the Gulf war.

What appeared to have been a tacit agreement to restrict fighting to the border areas in both countries now seems to have ended.

In a further development related to Tuesday's air crash in which Iran's top military commander and defence minister died, the speaker of the country's Parliament told crowds at Friday prayers in Tehran yesterday that sabotage had not been ruled out.

Hojatoleslam Ali Akbar Hashemi-Rafsanjani said: "I am not sure that the crash was an accident. The experts are 90 per cent certain that it was. But the possibility of sabotage exists."

Malaysia takes retaliatory action against UK trade

BY WONG SULONG IN KUALA AND KATHRYN DAVIES IN SINGAPORE

MALAYSIA is to take retaliatory action against British trade in response to what the Malaysian government considers an unsympathetic U.K. attitude toward the country.

Dr Mahathir Mohamed, the Prime Minister, announced yesterday that all government trade and commercial transactions with Britain must now be referred to his office for final approval. A non-British alternative offer must also be submitted.

Factors believed to be behind the move include such things as high fees for Malaysian students in British universities and quotas and tariffs on Malaysian exports.

In addition, the Malaysian Government sees this week's amendments to the London stockmarket's takeover code against dawn raids, coming so shortly after the successful bid for Guthrie Corporation by its investment agency, Permodalan Nasional, as the latest example of Britain changing the rules of the game whenever Malaysia or other developing countries learn to play by them.

Malaysian authorities are irritated by accusations of back-door nationalisation whenever a Malaysian company succeeds in taking control of a British group with substantial assets in Malaysia.

Mr Peter Rees, Minister of State for Trade, who left Kuala Lumpur yesterday after three days of trade talks, said on arrival in Singapore that he was "nonplussed" by Dr Mahathir's remarks.

Mr Rees said the comments conflicted with what he had been told during talks in Kuala Lumpur with Malaysia's Deputy Minister of Trade and Industry and with the chairman of Malaysia's Industrial Development Authority.

British High Commission officials in the Malaysian capital, upset by the developments of the past two days, said the question of Malaysia's new purchasing policy will be raised by Mr John Knott, the Defence Secretary, when he arrives at the head of a major defence sales mission over the weekend. Mr Nott was Trade Secretary until the reshuffle a month ago.

British trade officials refused to comment on the possible implications of Dr Mahathir's plans. They said they would have to wait to see how they were applied. Nevertheless, British industrialists in Kuala Lumpur said the change could seriously affect British trade with, and investment in, Malaysia.

Apart from invisible earnings from corporate investments in Malaysia, main exports from Britain are road vehicles, and transport equipment, electrical machinery, power generating plant and telecommunications equipment. Outside the EEC, Malaysia comes after the U.S., Japan and Singapore in the league table of UK trade partners.

Last year, Britain accounted for 2.8 per cent of Malaysian exports (787m Ringgit or £190m) and 6 per cent of imports (1.4bn Ringgit). By contrast, in 1972 7 per cent of Malaysian exports (340m Ringgit) went to Britain, while 12.5 per cent of Malaysian imports (570m Ringgit) came from Britain.

Dealings in Arbuthnot Latham are halted

By John Moore

DIRECTORS of Arbuthnot Latham Holdings, the merchant bank, yesterday halted dealings in the group's shares ahead of an announcement which may reveal the identity of a possible bidder.

On the London stock market, the shares were suspended at 305p, valuing the banking group at £23.7m. But amid mounting speculation in London financial circles, no anouncement had appeared late yesterday evening.

Abuthnot Latham, one of the City's smallest accepting houses, has been in talks since the end of June, when it announced that "certain approaches have been made to the company which may or may not lead to an offer."

The names of possible buyers have been rumoured to include Henry Ansbacher, the merchant bank; Inchcape Group; British and Commonwealth Shipping and Britannia Arrow Holdings, the unit trust and investment group. But these rumours have been rejected by insiders.

Arbuthnot sought the suspension of its shares after reported sharp movements in its price late on Thursday.

In July the bank suspended Sir Trevor Dawson, chairman of the investment side of the group, pending investigations into his connections with Halliday Simpson, the stockbroking firm suspended by the Stock Exchange.

It was not certain late last night whether any announcement on the possible bid would be made on Monday.

Three leave in latest ICL shake-up

By Guy de Jonquieres

A FURTHER senior management shake-up was announced yesterday at ICL, the British computer manufacturer struggling to recover from heavy losses.

Three marketing executives will leave their posts soon. They include Mr Peter Ellis, who is stepping down immediately as a main board member and deputy managing director responsible for marketing operations. He will retire from ICL on December 5.

The company said Mr Ellis, who is 58, had suggested that it was time to hand over to a younger man, particularly as ICL's new product and marketing strategy would take several years to implement. ICL's normal retirement age is 65.

His successor as director of marketing operations is Mr Peter Bonfield, aged 37. Mr Bonfield previously worked in the U.S. for Texas Instruments, the U.S. electronics group which also employed Mr. Robb Wilmot until he became ICL's managing director last May.

Mr. P. D. Aylett, 56, and Mr. L.G. Cole, 59, directors of ICL's UK Sales and Major Countries Divisions respectively, will also be leaving their posts soon. Their successors are due to be announced shortly.

Mr Ellis is the fourth main board director to announce his intention to leave ICL since Mr Wilmot and Mr Christopher Laidlaw, chairman, were appointed at the behest of the Government earlier this year.

Weekend

Continued from Page 1

the right answer, in the absence of an open lead from the now defunct Minimum Lending Rate, no one was quite sure.

The stock market reacted to the change with a drastic fall in turnover — "really idle" said one jobber of trading conditions yesterday morning. Another handled three ICI share bargains in the first half an hour against 10 or more on a normal day—and 25 on Tuesday.

The brokers had plenty of explanations. "We've stopped discounting higher interest rates," said one, "but we can't quite bring ourselves to start discounting lower rates."

In dealing rooms, the air was thick with cliches about patients recovering from operations and clouds being dispersed by the storm.

Not that the clouds had entirely disappeared. Currency dealers expressed some surprise at sterling's weak showing against continental currencies. Gilts traders waited nervously for further interest rate movements and reminded each other of the heavy long term funding programme which the Government still faces.

Closer to the heart, though, were City fears for the impact of the week's events on the system itself. "Somewhere in the world, someone has lost a lot of money," said a senior director of one jobbing firm.

There was doubting what an uncomfortable week it had been for the jobbers, standing by their obligation to make continuous markets in all quoted shares.

"Worth a mention in despatches," said one. With public comment on their role not always favourable, it was a good time to point out some home truths. "We saw many shares suspended for hours at a time in every other centre but London," said Mr Nixon, director of jobbers Akroyd and Smithers.

It was a distinction worth remarking, in a week which otherwise so heavily underlined—in Tokyo, London and New York—the homogeneity and interdependence of the world's major markets.

Labour

Continued from Page 1

the ambitions of a handful of politicians who were fearful of their prospects in any other party.

"Many ex-Labour members who thought that their ideals could best be realised within the SDP must now appreciate what a rag of opportunism and discontent that party had become. Now that the Labour Party can be seen as a broad based party once again. I hope that they will come back home and work with us," he said.

His appeal comes on the eve of the SDP's first conference.

The closing session of Labour's conference saw a number of further policy commitments confirmed, including a pledge to repeal the Government's trade union legislation, and demands for tougher curbs on police powers.

As the conference closed with the traditional singing of the Red Flag, Mr Benn in a gesture of solidarity to the Left, moved from the front row of the platform and stood with defeated members of the NEC.

Weather

UK TODAY

OUTBREAKS of rain and sleet. Showers and bright or sunny intervals elsewhere.

London, S.E. England, E. Anglia
Sunny intervals, showers. Max. 15C (59F).

N. Wales, N.W. England
Mostly cloudy, showers or rain. Max. 14C (57F).

Lake District, Isle of Man, S.W., N.W. Scotland, Glasgow, Central Highlands, Argyle, N. Ireland
Cloudy. Outbreaks of rain or sleet with snow on high ground. Wind N.W. to N. strong to gale. Max. 7C (45F).

N.E. England, Borders, Edinburgh, Dundee
Showers and bright intervals. Max. 14C (57F).

Outlook: Unsettled, cold. Night frosts in places.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	21	70	L. Ang.†	C	18	64
Algiers	S	27	81	Luxmbg.	C	12	54
Amsdm.	C	17	63	Luxor	S	38	100
Athens	S	25	77	Madrid	F	20	68
Bahrain		—	—	Majorca	F	24	75
Barclna.	S	23	73	Malaga	S	24	75
Beirut	S	28	82	Malta	C	27	81
Belfast	R	5	41	M'chstr	R	9	48
Belgrd.	F	21	70	Melbne.	R	16	61
Berlin	F	18	64	Mx. C.†		—	—
Biarritz	C	15	59	Miami†	C	24	75
Bmghm.	C	11	52	Milan	R	14	57
Blackpl.	C	12	54	Montrl.†	C	6	43
Bordx.	F	17	63	Moscow	S	18	64
Boulgn.	C	16	61	Munich	F	17	63
Bristol	F	12	54	Nairobi	C	27	81
Brussels	C	16	61	Naples	C	23	73
Budpst.	F	18	64	Nassau		—	—
Cairo	S	30	86	Nwcstl.	R	13	55
Cardiff	C	11	52	N York†	C	13	55
Cas'b'ca	F	22	72	Nice	C	16	61
Cape T.	C	17	63	Nicosia		—	—
Chicg.†	S	2	36	Oporto	F	18	64
Cologne	R	14	57	Oslo	C	14	57
Cpnhgn.	C	16	61	Paris	C	16	61
Corfu	F	23	73	Perth		—	—
Denver†	S	12	54	Prague	C	16	61
Dublin	R	7	45	Rykjvk.	S	1	34
Dbrvnk.	C	18	64	Rhodes	S	25	77
Ednbgh.	C	6	43	Rio J'o†		—	—
Faro	F	21	70	Rome	F	19	66
Florence	R	17	63	Salzbrg.	S	18	66
Frankft.	C	13	55	S'cisco†	F	15	59
Funchal	S	24	75	S. Mritz.		—	—
Genova	R	12	54	Singapr.		—	—
Gibrltr.	F	23	73	S'tiago†		—	—
Gl'sg'w	C	6	43	Stckhm.	C	14	57
G'rnsey	C	13	55	Strasbg.	R	15	59
Helsinki		—	—	Sydney	S	34	93
H. Kong	C	27	81	Tangier	C	20	68
Innsbrk.	F	16	61	Tel Aviv	S	27	81
Invrnss.	R	5	41	Tenerife	F	25	77
I.o.Man		—	—	Tokyo	S	25	77
Istanbul	S	22	72	T'r'nto†	C	5	41
Jersey	C	13	55	Tunis	S	30	86
Jo'burg	T	13	55	Valencia	S	24	75
L. Plms.	F	25	77	Venice	R	17	63
Lisbon	F	21	70	Vienna	F	16	61
Locarno	R	12	54	Warsaw	S	19	66
London	C	14	57	Zurich	C	12	54

C—Cloudy. F—Fair. R—Rain. S—Sunny. T—Thunder.
† Noon GMT temperatures.

Japan fears £5.5bn surplus

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S current account surplus may reach $10bn (£5.5bn) during the current fiscal year unless special measures are taken to stimulate imports and restrain exports according to officials in Tokyo.

Original forecasts for the year were for a deficit of $6bn. The new estimates emerged yesterday as the Government's economic planning agency announced a four-point plan to restore the balance between Japan's fast-growing external sector and the stagnant domestic sector.

The package does not spell out how Japan plans to increase imports, which have been growing at below 1 per cent a month since the late summer.

Officials say a programme of "emergency imports" of items, such as aircraft for leasing, will be studied. Japan undertook an emergency import programme in 1978 on the last occasion when its balance of payments surplus started to cause severe problems with foreign trade partners.

A special import promotion mission may be sent to Europe early next year. In addition, a council on manufactured goods imports, which has been examining alleged non-tariff barriers to trade, will be urged to report quickly.

Apart from seeking to keep the external trade surplus within bounds, the economic package is intended to achieve an overall gross national product growth rate of 4.7 per cent for the current fiscal year —of which 2.5 per cent will be generated domestically and 2.2 per cent from exports.

As part of the plan to stimulate domestic economic activity, aid will be provided for industries and regions suffering from the recession.

Public works will be speeded up in depressed areas like Hokkaido, the most northerly of the Japanese islands. The Government proposes measures to prop up deficit-ridden industries such as petrochemicals, aluminium and oil refining, and to give "guidance" to power generating companies to place orders for machinery sooner than planned on existing investment schedules.

THE LEX COLUMN

Equities return to base

A quick look at the net change in the equity and government securities indices this week might suggest that this had been a sleepy week on the London stock exchange. Over the five days, the FT Industrial Ordinary Index is up just 1.6 points, and the prices of long gilts are down by perhaps a point over the same period.

In fact, of course, it has been a week of rare drama. Huge gyrations in equity prices on Monday and Tuesday have been followed by three days of nervous tension, and it will take some little while yet for the market to return to anything like normality. And just as the dust appeared to be settling in the stock market, a sudden storm grew up in the money market and blew bank base rates up by another two points —the second such rise in just over a fortnight.

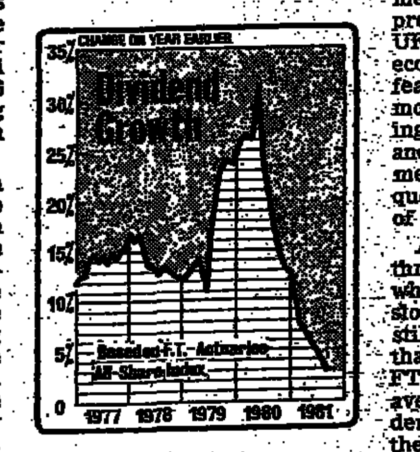
No complacency

The securities markets had already discounted such a development, and were left pretty well unmoved by the change on Thursday. Immediately after the first move in base rates in the middle of last month, there was a feeling that another dose of the same medicince might soon be necessary. This time there was a general feeling that the rates had gone high enough to check the fall in the currency — and indeed sterling had a good day on Thursday. But there is certainly no room here for complacency, as was shown yesterday afternoon when sterling wobbled — and a 6.1 point rise in the FT Index at 1 pm was all but erased by the close.

What has happened in the past few weeks is that the Government has abandoned its attempts to run an independent sterling interest rate policy, and has allowed UK rates to come much more into line with the previously much higher dollar levels. Three weeks ago, the rate on three months Eurodollars was well over 4 points higher than that on Eurosterling: today the gap is down to roughly a point. So UK interest rates are now likely to be much more closely tied to those ruling in New York, and although some optimists hope that dollar rates will tend to ease — they have already edged down a little at the short end in the past few weeks — the case for an early and sustained reduction is by no means convincing.

A snapshot of the financial community's views on trends in interest rates is given by the

Index rose 1.3 to 476.3



shape of the yield curve, which is a line drawn to link up the rates obtainable over different periods of time. Whereas a couple of weeks ago, the curve sloped gently upwards, it is now pretty well flat with rates of around 17 per cent for three month money comparing with returns of just over 16 per cent on long dated bonds.

It least this does not suggest that there is too much professional gloom about further rises in money rates. But neither does it indicate any serious hopes that rates will quickly be reined back again. There is a big contrast, for instance, with this time last year, when three month money was returning well over two points more than one year deposits.

For the equity market, the big question is what a sustained period of high interest rates will do to the hoped for recovery in company profits, which the analysts reckon should be getting under way round about now. In terms of direct costs, the impact is likely to be fairly modest. According to brokers Phillips and Drew, interest costs represent nearly a quarter of profits before interest and tax of industrial companies, but it is likely that less than half of these borrowings are tied to UK short term rates. And of course some companies have offsetting cash balances.

The indirect effect of a four point jump in base rates could be more worrying. The substantial cuts in industry's operating costs over the last couple of years will not on their own be enough to sustain more than an initial recovery in profits, and until recently many stock market investors had been counting on a gradual improvement in underlying business activity getting under way sometime in 1982. The real cost of money—whether to finance consumer spending or industrial investment—is standing at almost unprecedented levels both in the UK and in many major overseas economies. So there must be a fear that industry will be much more cautious both about building up depleted levels of stock and buying new capital equipment. There is a significant question mark over the strength of demand next year.

Any threat to profits is a threat to dividend growth, which for the time being has slowed down almost to a standstill. Latest statistics suggest that the 750 companies in the FT-Actuaries All-Share Index on average increased their dividends by just 3 per cent over the past year. The gap between long bond yield of around 16½ per cent and average equity yields of 6½ per cent looks awfully wide when dividends are not rising at a healthy rate.

These worries have already been reflected in the market shake-out, which has taken the All-Share Index down by 18½ per cent from its high point in August. The position now is that the big investors are supporting the market at its lower levels, but there is going to be no hurry to chase prices back up to their former heights.

What goes up

An now for a cautionary tale. Brown and Jackson shares rose by over 5,00 per cent in the second half of the 1970s on the back of a remarkable formula for converting a string of cheap and disparate acquisitions into high profit earners. The trick had been tried before—usually with sticky results — but the stock market decided that this one was going to be different. At one point in 1979, the market capitalisation was nearly £30m.

Then the going got tough, and management controls over all those different acquisitions started to come under pressure. Group profits slumped by two-thirds in 1980, and have all but disappeared in the first half of 1981: the dividend has gone altogether. One reason for the setback is that a subsidiary failed to cover its forward currency requirements for U.S. dollars "in contravention to established policies of the group." This oversight cost £400,000.

The market capitalisation is now just £3¾m, which is about what the group raised through a rights issue last year. The whole story seems a bit familiar, somehow.

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